



March 29, 2019

Yukon Utilities Board
Box 31728
Whitehorse, YT Y1A 6L3

Attention: Deana Lemke
Executive Secretary

Dear Ms. Lemke:

**Re: Yukon Electrical Company ("YEC")
2017-2018 General Rate Application Compliance Filing
Information Requests**

ATCO Electric Yukon ("AEY") hereby submits the enclosed Information Requests to YEC.

I trust the forgoing is satisfactory. Please contact me if you have any questions or concerns at (780) 420-5449.

Yours truly,

Chris Cullingham
Manager, Regulatory

CC/by
Encl.



**ATCO Electric Yukon ("AEY") Information Requests to
Yukon Energy Corporation ("YEC") 2017-18 GRA Compliance Filing
Submitted: March 29, 2019**

AEY-YEC-1

Topic: Time-limited Rider R

Reference: Page 1-8

Preamble: Rider R is currently used by AEY.

Requests:

- (a) Please confirm YEC does not intend to use Rider "R" for its time-limited rider to collect revenue shortfalls in 2017, 2018, and 2019.

AEY-YEC-2

Topic: LWRF

Reference: "320. However, the Board is of the view that the current DCF mechanism is complex and does not show the hydro generation and thermal generation in a given year when actuals are determined because the actuals are based on modelled results. The Board finds that a simpler mechanism for adjusting for variances between the approved forecast for hydro generation and thermal generation and actual hydro generation and thermal generation in a test year is needed." Board Order 2018-10

Preamble: AEY would like to understand the DCF/LWRF simplifications proposed in the compliance filing.

Requests:

- (a) Please identify and list out the simplifications and/or efforts to reduce the complexity of the proposed LWRF mechanism. Please explain the simplifications and how they work to reduce the complexity of the LWRF (compared to the formerly proposed DCF).
- (b) Did YEC seek or evaluate any alternative opinions in determining the proposed LWRF? If so, please list out the alternatives and why they were not included in or evaluated within the application.



AEY-YEC-3

Topic: LWRF

Reference: Attachment 2.1-1, Attachment 2.1-2, and Tables 1, 2, and 3 in "LWRF and ERA for 2017 and 2018 ext.xlsx"

Preamble: AEY is interested in more information regarding YEC's LWRF and ERA.

Requests:

- (a) For 2017, please confirm Tables 1, 2, and 3 in "LWRF and ERA for 2017 and 2018 ext.xlsx" assume all forecasts equal actual values for 2017.
- (b) Please update Tables 1, 2, & 3 to include another column for 2017 to show what the ERA charge and LWRF transaction would have been if:
 - i. YEC's original forecasts for wholesales, grid load, thermal generation forecast, been accepted; and
 - ii. Actual results came in as they occurred in 2017; and
 - iii. the proposed new rules for LWRF and ERA are also accepted.

AEY-YEC-4

Topic: LWRF Operation Examples

Reference: Table 2.1-3, Year 4, L13 & L14

Preamble: AEY seeks more information about the operation of the LWRF.

Requests:

- (a) Please explain how LTA GRA Thermal Generation Forecast, 27,126 MWh, was determined.
- (b) Please provide an excel copy of Table 2.1-3.

AEY-YEC-5

Topic: Fixed Change Factor

Reference: Table 2.1-3, Page 2.1-7, Year 4, L13
Table 3 in “LWRF and ERA for 2017 and 2018 ext.xlsx”

Preamble: AEY seeks clarification about the operation of the LWRF and the ERA.

Requests:

- (a) Is the Fixed Change Factor fixed? If so, is it fixed for a specific period?
- (b) Can the Fixed Change Factor change? If so, under what circumstances can the factor change?
- (c) Does the Fixed Change Factor apply to the ERA? If so, under what circumstances can the Fixed Change Factor change for the ERA?
- (d) Is the “Incremental thermal generation for incremental total generation (%)” the same as the Fixed Change Factor?

AEY-YEC-6

Topic: LWRF for 2018

Reference: “320. However, the Board is of the view that the current DCF mechanism is complex and does not show the hydro generation and thermal generation in a given year **when actuals are determined because the actuals are based on modelled results**. The Board finds that a simpler mechanism for adjusting for variances between the approved forecast for hydro generation and thermal generation and actual hydro generation and thermal generation in a test year is needed. A deferral account is a rate adjustment mechanism aimed at reconciling forecasts with actuals for matters that are not in the control of the utility.

321. For these reasons, the Board directs YEC to create a deferral account that records the variance between actual thermal generation fuel costs (based on volume only) and the GRA forecast thermal generation fuel costs (based on volume only) that are due to changes in water conditions...”
[emphasis added]



Tables 1 & 3 in "LWRF and ERA for 2017 and 2018 ext.xlsx"
Table 3.4-1 and Table 2.1-4 in Attachment 2.1-2

Preamble: AEY seeks clarification about operation of the LWRF.

Requests:

- (a) Please confirm YEC is forecasting 16,355MWh of Thermal Generation associated with a firm grid load forecast of 420,265MWh to be included in the rates for the 2018 test year. If not confirmed, please identify the MWh forecast by YEC for Thermal Generation.
- (b) Please explain how the 16,355MWh (or the revised number from part (a) if any) was determined. For example, is this amount determined using Table 2.1-4 from Attachment 2.1-2? If not confirmed, please explain.
- (c) Please confirm the percent of forecast fuel in rates for the 2018 test year is approximately 3.9% (or 16,355MWh thermal generation per 420,265MWh of grid load). If not confirmed, please explain.
- (d) Please confirm the percent of forecast fuel in rates changes from 3.9% to 45.3% for all grid load variance from the 420,265MWh forecast. If not confirmed, please explain.
- (e) Please confirm the following costs of fuel in rates changes from approximately \$0.0063/kWh (from \$0.1613/kWh * 3.9%) to approximately \$0.0799/kWh (shown in Table 3, line B10).
- (f) Please confirm that the Fixed Change Factor is determined by using the estimated thermal generation requirements at +/-5GWh grid load increments as shown in Table 2.1-4 in Attachment 2.1-2. If not confirmed, please explain.
- (g) Please confirm the YUB has not approved Tables 3.4-1 or 2.1-4 in Attachment 2.1-2. If not confirmed, please explain.
- (h) Is YEC seeking YUB approval of Tables 3.4-1 or 2.1-4 in Attachment 2.1-2?

- (i) Please confirm the Thermal Generation requirements in Tables 3.4-1 and 2.1-4 are developed using forecasts from YEC's YECSIM. If not confirmed, please explain.
- (j) Please confirm YECSIM, and YEC's fuel forecasts, cannot be retroactively verified with actual grid metrics in part because the forecasts are derived using Long Term Average water levels as inputs. If not confirmed, please explain.
- (k) Please confirm total grid load includes all YEC's customers' loads (retail and industrial) and AEY's wholesale customers. If not confirmed, please explain.
- (l) Please explain how using "Expected YEC Thermal Generation in Rates" for an actual cost (L16, Table 1) reconciles with paragraph 320 from Board Order 2018-10. In particular, please discuss whether "actual costs" are still based on "modelled results" (via the Fixed Change Factor).