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October 22, 2019

Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Attention: Mr. Robert Laking, Chair

**Re: Yukon Energy Corporation - 2017-2018 General Rates Application  
YEC Responses to Information Requests - 2nd Compliance Filing**

Dear Mr. Laking:

The Utilities Consumers' Group (UCG) is in receipt of the responses to information requests submitted by Yukon Energy Corporation (YEC) on October 21, 2019. In reviewing YEC's responses to UCG's multi-part information requests, it is apparent that appropriate and adequate responses have not been provided in all cases.

In particular, UCG is concerned with YEC's position that requested information is outside the scope of the current review. UCG submits that in order to complete a robust analysis of YEC's 2<sup>nd</sup> compliance filing and to prepare argument that will be useful to the YUB's deliberations, it is necessary to have the requested information and detailed calculations that underpin YEC's 2<sup>nd</sup> compliance filing.

UCG respectfully requests that the Yukon Utilities Board consider and provide a ruling on the following, presumably after providing YEC some time to review our requests and provide further answers.

#### NOTICE OF MOTION

The Utilities Consumers' Group requests that the Yukon Utilities Board issue an Order to the effect that:

*Yukon Energy Corporation shall be required to provide more complete responses to questions submitted by the Utilities Consumers' Group that YEC has not provided to the Board's satisfaction.*

In support of this Notice of Motion, the Utilities Consumers' Group provides for consideration by the Board (and all other parties to the proceeding) the following facts, information, comments, opinions, arguments and questions:

- On October 21, 2019, YEC submitted responses to the information requests submitted by parties related to its 2<sup>nd</sup> compliance filing associated with its 2017-2018 General Rates Application.

- The requested evidence is relevant to the consideration of the issues and, unless the most compelling reasons can be advanced by YEC, an overarching public interest in disclosure should prevail.
- There has been no identification of any perceived harm from the disclosure of this information to the public record.
- The regulation of public utilities must be carried out in as transparent a process as possible. Only very exceptional circumstances should justify the exclusion from the public record of material that is used in rate-setting. UCG respectfully submits that YEC has not demonstrated exceptional circumstances.
- With respect to specific responses to information requests, the UCG submits the following:

#### **1. UCG-YEC-1-1**

YEC failed to provide the requested specific details regarding the Average Annual Thermal Generation. In its IR response, YEC states that the requested information is outside the scope of the current proceeding.

UCG's position is that the YUB wants to receive submissions from parties involved in this proceeding that assist the YUB in determining whether the methods being used and proposed by YEC are in line with the YUB's directions and whether the YUB should be considering alternatives to the methods that YEC is proposing as part of its 2<sup>nd</sup> compliance filing.

It is not be up to the applicant to determine what information other parties require in order to complete analysis of the effectiveness of YEC's proposed methods. The request in this case is to ensure that the most current information is provided and that a proper isolation of the mining load is made in order to support arguments to be made about how the impacts of mining loads should be addressed by the Low Water Reserve Fund mechanism.

UCG requests that YEC provide the requested response to UCG-YEC-1-1 in the detail requested to allow for a more comprehensive analysis of YEC's proposed LWRF mechanism.

#### **2. UCG-YEC-1-6**

In this question, UCG requested details of actual generation by source by month for 2018 and 2019 year to date and details on how actual water levels in 2018 and 2019 to date have affected actual levels of thermal generation in 2018 and 2019 to date. In its IR response, YEC states that the requested information is outside the scope of the current proceeding.

UCG's position is that YEC is putting its 2<sup>nd</sup> compliance proposals forward based on a snapshot of data related to thermal generation and water levels that is out of date when more current data is available. UCG submits that the actual generation and water levels experienced in 2018 and 2019 to date will provide a more accurate reflection of YEC's current operations and will better support alternative positions that can be put forward regarding YEC's proposed LWRF operation.

There has been no argument put forward that the requested information is not available and it is unknown why the most current operational data cannot be used in order to establish YEC's operational methods being proposed on a go-forward basis.

UCG requests that YEC provide the requested response to UCG-YEC-1-6 in the detail requested to allow for a more comprehensive analysis of YEC's proposed LWRF mechanism.

### **3. UCG-YEC-1-9**

YEC was asked to confirm that the revenue requirement and sales / revenues at existing rates for 2017 and 2018 provided in its 2<sup>nd</sup> compliance filing represented actuals for those years and, if not, to provide the actuals for 2017 and 2018. In its IR response, YEC states that the requested information is outside the scope of the current proceeding.

Contrary to YEC's position, the requested information is relevant in order to gauge the impact on ratepayers of the rate riders that YEC has put in place.

In its September 23, 2019 compliance filing, YEC has requested the final approval of an ongoing Rider J at 22.32% for retail customers and 18.67% for industrial customers, effective October 1, 2019 and a 24-month Rider J1 of 8.76% effective October 1, 2019 (or 8.99% if effective November 1, 2019). UCG submits that the requested sales / revenues data will help to support analysis of the requested rate riders and allow UCG to provide the YUB with recommendations regarding the proposed rate riders.

Due to delay of the implementation of the final rates, YEC will also be looking to implement a true-up rider which may or may not be prudent based on actual results to date.

In its past decisions, the YUB has continually made determinations based on evidence provided by the applicant as no other evidence was provided. UCG's IRs are designed to ensure that the most current information is put on the record to not only inform its own arguments but also to ensure that the YUB has the most applicable data and submissions before it to inform its decisions.

UCG requests that YEC provide the requested response to UCG-YEC-1-9 in the detail requested to allow for a more comprehensive analysis of YEC's proposed rate riders.

### **4. UCG-YEC-1-12(c)**

YEC was asked to provide an update to a table in its 2<sup>nd</sup> compliance filing showing the actual LWRF balance in January 2018 and YEC's best estimates of the actual operations of the LWRF between 2018 and 2022. YEC responded that the information being requested is beyond the scope of the current proceeding and cannot be provided.

UCG does not understand how YEC would not be able to provide actual data of the LWRF operations and at least a short-term forecast of its operations. UCG submits that information requested regarding the actual and expected operations of the LWRF is absolutely relevant to YEC's 2<sup>nd</sup> compliance filing, especially since YEC continually argues that this part of the proceeding is all about the operations of the LWRF.

UCG requests that YEC provide the requested response to UCG-YEC-1-12(c) in the detail requested to allow for a more comprehensive analysis of YEC's proposed LWRF operation.

## **5. UCG-YEC-1-12(d)**

YEC was asked to provide versions of a table submitted in its 2<sup>nd</sup> compliance filing related to LWRP determinations that change the Fixed Change Factor to 4 other levels. YEC responded that it “has no basis to change the Fixed Change Factor”.

UCG submits that YEC’s response makes no sense. The request was to provide results of its LWRP determinations based on a variety of Fixed Change Factors in order for UCG determine a position on the sensitivity of these calculations to the Fixed Change Factor on which YEC has pinned its compliance filing. UCG also need this information to allow it to develop arguments related to YEC’s position that the term sheet approach is more accurate in addressing updated LTA thermal generation.

It is not up to YEC to determine what positions intervenors are allowed to put forward in their arguments but it is up to YEC to provide the data necessary to legitimately support the positions being advanced.

UCG requests that YEC provide the requested Fixed Change Factor analysis in response to UCG-YEC-1-12(d).

## **6. UCG-YEC-1-16(b)**

YEC was asked to provide an update to the Actual Production Costs by Category table in its compliance filing showing the actual breakdown of production costs for 2018. YEC responded that the requested information is outside the scope of the current proceeding.

There has been no argument put forward that the requested information is not available and it is unknown why the most current operational data cannot be used in order to establish YEC’s operational methods being proposed on a go-forward basis.

If YEC is basing the proposals contained within its compliance filing on the data provided, UCG submits that the most current available data should be made available in order for parties to make submissions on these assumptions.

UCG requests that YEC provide the requested Actual Production Costs update in response to UCG-YEC-1-16(b).

## **7. UCG-YEC-1-17**

YEC was asked to provide an update to the transmission and distribution costs tables in its compliance filing showing the actual breakdown of these costs for 2018. YEC responded that the requested information is outside the scope of the current proceeding.

There has been no argument put forward that the requested information is not available and it is unknown why the most current operational data cannot be used in order to establish YEC’s operational methods being proposed on a go-forward basis.

If YEC is basing the proposals contained within its compliance filing on the data provided, UCG submits that the most current available data should be made available in order for parties to make submissions on these assumptions.

UCG requests that YEC provide the requested transmission and distribution costs update in response to UCG-YEC-1-17.

#### **8. UCG-YEC-1-18**

YEC was asked to provide an update to the General O&M Costs table in its compliance filing showing the actual breakdown of these costs for 2018. YEC responded that the requested information is outside the scope of the current proceeding.

There has been no argument put forward that the requested information is not available and it is unknown why the most current operational data cannot be used in order to establish YEC's operational methods being proposed on a go-forward basis.

If YEC is basing the proposals contained within its compliance filing on the data provided, UCG submits that the most current available data should be made available in order for parties to make submissions on these assumptions.

UCG requests that YEC provide the requested General O&M Costs update in response to UCG-YEC-1-18.

#### **9. UCG-YEC-1-19**

YEC was asked to provide an update to the Administrative costs table in its compliance filing showing the actual breakdown of these costs for 2018. YEC responded that the requested information is outside the scope of the current proceeding.

There has been no argument put forward that the requested information is not available and it is unknown why the most current operational data cannot be used in order to establish YEC's operational methods being proposed on a go-forward basis.

If YEC is basing the proposals contained within its compliance filing on the data provided, UCG submits that the most current available data should be made available in order for parties to make submissions on these assumptions.

UCG requests that YEC provide the requested Administrative costs update in response to UCG-YEC-1-19.

The above Notice of Motion and supporting arguments are respectfully submitted for the Board's review and consideration prior to the filing deadline for final submissions in this proceeding.

If the Board or YEC requires any clarification with respect to UCG's Notice of Motion, please direct all inquiries to me by email at [rroudeau@northwestel.net](mailto:rroudeau@northwestel.net) or by phone at 633-5210.

Yours truly,

Roger Rondeau  
Utilities Consumers' Group