

UTILITIES CONSUMERS' GROUP
Box 9300
29 Wann Road
Whitehorse, Yukon Y1A 4A2
email: rondeau@northwestel.net

October 24, 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 October 23, 2019 response of Yukon Energy Corporation (YEC) to UCG's Motion requesting more complete responses to specific information requests in this proceeding. UCG still feels that additional information is required for several of these information requests.

1. UCG-YEC-1-1

UCG completely disagrees with YEC's response that the requested information is outside the scope of the current proceeding that is addressing calculations and associated assumptions related to the Low Water Reserve Fund mechanism.

At the Technical Session on October 8, 2019, YEC representatives stated that the Average Thermal Generation table on page 5 of its background notes reflected data for a system without a mine load (i.e., load at 380 GWh) and with a mine load (i.e., load at 450 GWh). At the Technical Session, YEC reported that the actual system load was approximately 447 GWh in 2018 which included mine load.

What was requested in the IR was a split of the existing 1981 to 2015 table showing the load levels in two columns such that the mine load is isolated in its own column. The IR also requested an update that included more recent years (through 2018).

Given that the columns of the table refer to including "no mines" and "new mine load", it is unknown why YEC would submit that the requested information about the mine loads included in this table does not exist. The data obviously exists or the table could not have been generated.

This particular request is attempting to get the most current and applicable information that will allow UCG to make submissions based on a proper isolation of the mining load that YEC has assumed for its compliance filing calculations related to the Low Water Reserve Fund mechanism.

UCG maintains its request 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 does not understand how YEC can consider actual levels of thermal generation in 2018 out of scope for a compliance filing that is all about the determination of the impact of the Low Water Reserve Fund mechanism.

UCG's position is that actual generation and water levels experienced in 2018 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.

YEC has not submitted any argument that the requested information for 2018 is not available and it is unknown why YEC does not want to make the most current operational data available so that it can be used to establish YEC's operational methods being proposed on a go-forward basis.

The requested actual data for 2019 to date will allow UCG to support arguments regarding the trends that are resulting from YEC's operational decisions and will help illustrate whether trends assumed by YEC in its compliance filing are actually being realized.

UCG maintains its request 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 2nd 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 given that the actual results will directly impact what will ultimately be included in the true-up rider. UCG submits that there is a lack of evidence on the record to adequately argue about the rate riders that YEC has proposed by finalized in its compliance filing.

This request is designed to ensure that UCG's final submissions on the compliance filing will be based on the most current information available.

UCG maintains its request 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 2nd 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 continues to argue that the information being requested is beyond the scope of the current proceeding and cannot be provided.

We are quickly approaching the end of 2019 so YEC's "illustrative" data can now be replaced with actual results for 2018 and most of 2019 and forecasts for at least 2020 and 2021 can be updated to reflect these actual results.

YEC complains when parties request updated data in order to base submissions on the most recent data available. Parties like UCG should not be blamed for the fact that YEC's own application data is so out of date by the time final decisions are being made on how much ratepayers will be required to pay for historical use and in the future. This is in fact the 2nd compliance filing required to be made by YEC on the 2017 and 2018 rate years due to the inadequacies of previous filings.

UCG maintains its request 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 LWRP operation.

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

YEC was asked to provide versions of a table submitted in its 2nd 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" and now argues that "the information being requested by UCG has no value in assessing the issues" that UCG intends to raise in its final arguments.

How can YEC make a determination of how UCG will be able to use the requested when it does not know what arguments UCG intends to make.

YEC states in its submission on this motion that UCG can do the requested calculations. This means that the calculations can be made but YEC does not want to use its established modelling to quickly complete the requested calculations. Instead, YEC wants UCG to incur additional consultant expense to try to replicate YEC's calculation model. This would put UCG at an extreme disadvantage given the tight timelines established for the proceeding.

UCG repeats its position that 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 maintains its request that YEC provide the requested Fixed Change Factor analysis in response to UCG-YEC-1-12(d).

6. UCG-YEC-1-16(b), UCG-YEC-1-17, UCG-YEC-1-18 and UCG-YEC-1-19

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

First, YEC has not provided any argument that the requested information is not available.

Second, the issues in this compliance filing address YEC's proposed operational methods that YEC intends to use on a go-forward basis. It should not be such a shock that actual cost data will better inform final decisions to be made regarding the appropriateness of rate riders and funding mechanisms that will be used for years to come.

UCG submits that it is impossible to offer a fully informed opinion on YEC's practices without seeing the requested breakdown of actual costs that is readily available. The YUB should not base its approval of YEC's proposed compliance filings solely on data that is significantly out of date. Even if the revenue requirement to be recovered will not change based on findings in this current proceeding, the YUB is looking for parties to make submissions on the practical application of YUB's proposed methods and make recommendations on what other methodologies are just as valid.

In UCG's opinion, the YUB needs to receive submissions on the models being put forward by YEC. The submissions will be more valuable if they are based on data that is readily available at YEC.

UCG maintains its request that YEC provide the requested actual cost updates in response to UCG-YEC-1-16(b), UCG-YEC-1-17, UCG-YEC-1-18 and UCG-YEC-1-19.

Yours truly,

Roger Rondeau
Utilities Consumers' Group