



**YUKON ENERGY  
CORPORATION**  
P.O. Box 5920  
WHITEHORSE  
YUKON Y1A 6S7  
(867) 393-5300

January 19, 2018

Mr. Robert Laking, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Mr. Laking:

**Re: Comments on Yukon Energy Corporation (YEC) Response to Board Order  
2017-08 Re: Energy Reconciliation Adjustment (ERA)**

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On December 15, 2017, the Yukon Utilities Board (YUB or the Board) issued correspondence requesting comments from intervenors in the Yukon Energy 2017/18 GRA on specific matters related to YEC's December 6, 2017 application regarding the Energy Reconciliation Adjustment (ERA) filed in response to Board Order 2017-08.

On January 16, 2018, Yukon Energy received responses from ATCO Electric Yukon (AEY), City of Whitehorse (CW) and Utilities Consumers' Group (UCG).

Intervenor comments on process and YEC response are outlined below.

***Part 1 of YEC Two-Part Application - ERA 2012-2016 (Part 1 Application)***

The Board requested that intervenors provide comment as to whether or not the Part 1 Application proceeding should be in writing, and the process and timing to be followed.

Overall, AEY, CW and UCG each agree with YEC that a written process is sufficient to address the ERA Part 1 Application, and that this process can be considered separately from the 2017/18 GRA proceeding.

Each of these intervenors also suggested that the process should include information requests and responses. YEC agrees that the process should include information requests and responses.

No intervenor commented specifically on timing of this process. In terms of timing, Yukon Energy notes that the Part 1 Application review is independent of the 2017/18 GRA and can either occur in tandem with that proceeding or subsequent to that proceeding.

Given the additional issues to be addressed as part of the 2017/18 GRA and Yukon Energy's overall concern (along with the concern expressed by the Board and other parties) that this process move along expeditiously, YEC recommends that this separate Part 1 Application process follow the conclusion of the 2017/18 GRA proceeding.

### ***Part 2 of YEC Two-Part Application and YECSIM***

The Board requested that intervenors provide comment regarding whether to consider the Part 2 Application as part of the YEC GRA 2017-18 process, and on the timing of information requests and responses arising from the Part 2 application.

Overall, AEY, CW and UCG each agree with YEC that the ERA Part 2 Application should be addressed as part of the 2017/18 GRA process, and suggest that a second round of IRs on the ERA Part 2 Filing should be provided and incorporated into the hearing schedule.

Although no intervenor has indicated an intention to file intervenor evidence on these issues, CW recommended that intervenors be given the opportunity to make submissions related to the need for intervenor evidence following review of responses to information requests and the output of the technical workshop regarding the YECSIM model.

In relation to YECSIM, AEY, CW and UCG were all in agreement that a workshop or technical meeting to review the YECSIM model should be held. UCG and AEY requested that the workshop be followed by an information request process to provide the parties with the opportunity to seek clarification or further information; CW suggested that information requests be provided both prior to the technical workshop and after the workshop. CW also noted that it would be "helpful if YEC could provide a working version of the model in a spreadsheet to allow parties to better understand the actual workings of the model".

Should the Board agree with the workshop concept, and given the need to complete the GRA process as soon as practically possible, Yukon Energy recommends that the workshop be held as soon as feasible in February 2018 and further that the workshop be completed prior to any additional information requests to Yukon Energy.

In that regard, it would be most efficient to combine IRs on the YECSIM model workshop with the round of IRs on the ERA Part 2 filing and to target such IRs being provided to Yukon Energy within a week of the YECSIM workshop. Yukon Energy does not support two separate rounds of IRs on the YECSIM model, and notes that any such process would likely also create serious additional scheduling and delay issues for the overall 2017/18 GRA process.

With regard to CW's suggestion that a working version of the model in a spreadsheet be provided, that is not a practical option. The YECSIM model is not a simple excel file or spreadsheet. As noted in the ERA Part 2 Filing [Appendix 2.4], YECSIM is a custom designed software that uses Fortran programming language that translates a database into possible combinations of hydrological variability that could occur based on historical records as well as given operational parameters, constraints, processes and rules. Aside from the need to download the software, training is needed to make any use of it. The

YECSIM user manual [Appendix 2.4 of the ERA Part 2 Filing] was provided prior to the workshop to facilitate Board and intervenor review and understanding of the key inputs to the model such as operational rules and parameters, constraints and processes. Actual runs of specific scenarios can then be provided by YEC.

### ***Proposed Revised GRA Schedule***

Yukon Energy understands that additional steps are now required in the 2017/18 GRA process to address both the review of the YECSIM model as well as additional interrogatories regarding the YECSIM model and the ERA Part 2 Application, and supports the effort required to facilitate further understanding of these core elements of its 2017/18 GRA filing. However, Yukon Energy also has concern regarding the extended time it is taking for review of the GRA and that a decision on the Application is not likely to be provided until very late in the second test year. In this regard, Yukon Energy would like to ensure that the process going forward is as expeditious as possible.

Keeping in mind the timelines outlined by the Board's original scheduling order and the outstanding steps required as noted above a proposed schedule is outlined in Table 1 below. In that regard, Yukon Energy makes the following comments:

- The schedule anticipates that the Board will issue an Order on process prior to the end of January 2018, and that the YECSIM model workshop be held in Whitehorse on either February 12 or 13, 2018 (Yukon Energy will ensure that the workshop can be attended remotely).
- In order to streamline the process going forward, Yukon Energy recommends combining the Part 2 ERA IRs with any IRs on the YECSIM model and that IRs be provided to YEC within a week of the YECSIM workshop. This timing would allow intervenors a reasonable time before the workshop to review the Part 2 Application and draft any IRs that can then be supplemented with any additional questions that arise from the workshop.
- The proposed schedule retains process steps for intervenor evidence.
- Yukon Energy's team can be available for an oral hearing starting the second week of April and suggests that the oral hearing if possible not be delayed beyond April 2018. The schedule proposes the hearing take place during the week of April 16, 2018.

**Table 1: Proposed Revised Schedule**

<b>Action</b>	<b>Initial Date (2017) per Order 2017-04</b>	<b>Proposed Revised Date (2018)</b>
Board Order on Process		January 26, 2018
YECSIM Workshop		February 12 or 13, 2018
Interrogatories on ERA Part 2 Filing & YECSIM Model		February 19, 2018
YEC Responses to Interrogatories		March 9, 2018
Intervenor Evidence	October 5, 2017	March 16, 2018
Interrogatories on Intervenor Evidence	October 19, 2017	March 23, 2018
Interrogatory Responses	November 2, 2017	March 30, 2018
YEC Rebuttal	November 9, 2017	April 6, 2018
Oral Hearing	November 28-30, 2017	April 16-18, 2018
Written Argument	December 7, 2017	May 2, 2018
Written Reply	December 21, 2017	May 16, 2018

If you have any questions regarding the above please call.

Yours truly,



Ed Mollard  
Chief Financial Officer