

**YUKON ENERGY CORPORATION  
2023-2024 RATE APPLICATION**

**Yukon Utilities Consumers' Group  
Information Request**

UCG -YEC-1-1

*Reference:* Application dated August 31, 2023

*Request:*

Please provide detailed reasons and rationale for why the application was not filed until August 2023, more than halfway through the proposed 2023 test year.

UCG -YEC-1-2

*Reference:* Application dated August 31, 2023

*Request:*

- a) Please provide details of all customer and stakeholder consultations conducted by Yukon Energy Corporation during development of this application prior to submitting it to the YUB.
- b) Please provide specific details on how YEC's customers were informed of proposals being considered for inclusion in the application and how input from customers was used to develop details of the application.
- c) Please provide all documentation related to issues discussed during these consultations and a list of all parties involved in the consultations.
- d) Please confirm how and when the leadership / owners of YEC approved the General Rate Application as provided to the YUB. Please identify the dates on which these approvals were provided.

UCG -YEC-1-3

*Reference:* Cover Letter dated August 31, 2023

*"The GRA deals primarily with Yukon Energy revenues required in 2023 and 2024 to carry out its responsibilities. It does not address in any material way cost of service and general rate design matters that would require joint work with ATCO Electric Yukon (AEY)."*

*Request:*

- a) Please describe YEC's responsibilities.
- b) Please explain why no attempt was made to address long-standing cost of service and rate design matters in this application and when these issues will be addressed through a joint application with ATCO Electric Yukon.

UCG -YEC-1-4

*Reference:* Cover Letter dated August 31, 2023

*"YEC's Application identifies the necessity to increase YEC's electricity rates in 2023 and 2024 in order to meet Yukoners' need for an increasing supply of safe, reliable and sustainable electricity. Significant and timely investments in all aspects of the Yukon's electricity system – generation, transmission, distribution, storage and grid stability, and end-use – are needed to address growth in*

winter peak electricity loads, aging utility infrastructure, energy transition changes, as well as rising costs and capital project complexity.”

*Request:*

- a) Please provide a schedule showing all forecast costs (O&M and capital) for 2023 and 2024 and which of YEC’s interpretation of Yukoners’ needs (safe supply, reliable supply, sustainable supply) are addressed by each of these costs.
- b) Please provide a schedule that identifies aspects of the electricity system (generation, transmission, distribution, storage, grid stability and end-use) being addressed by each of the forecast capital expenditures in 2023 and 2024.

UCG -YEC-1-5

*Reference:* Cover Letter dated August 31, 2023

*“In filing this Application, YEC is aware that no one likes rate increases and that even the smallest rate increase can have an impact on some Yukoners. Average monthly bills in Yukon remain the lowest across the North, and YEC is committed to doing what it can to keep it that way.”*

*Request:*

- a) Please provide a schedule showing that average monthly bills in the Yukon remain the lowest across the North.
- b) Please explain why it would matter to Yukoners why the monthly bills paid in other jurisdictions should matter to them if these other jurisdictions are not served by YEC.

UCG -YEC-1-6

*Reference:* Application, Table 1: Proposed Rate Changes and Expected Bill Impacts  
Board Order 2023-1 - YEC Interim Refundable Rates

YEC’s approach for the current rate application would result in a total 14.11% rate adjustment or a 6.1% (\$13 per month) residential bill increase at a consumption of 1000 kWh. Board Order 2023-1 granted YEC an Interim Refundable Rate increase of 10% (Rider J) effective January 1, 2024, and no increase or decrease for 2023 test year.

*Request:*

- a) Please provide examples of residential and commercial bill increases from other jurisdictions that reflect an overall bill increase in excess of 10%.
- b) Please provide specific dollar amounts (monthly and annually) that will be collected by YEC from each customer class with the 10% increase for the 2024 test year.
- c) Please provide detailed calculations of the total bill (including all riders, rate relief, and taxes) for a YEC residential customer using 800 kWh, 1000 kWh, 1200 kWh and 1400 kWh per month in January 2017, January 2018, January 2019, January 2020, January 2021, January 2022, January 2023, January 2024 and January 2025 assuming that the 2023 and 2024 rate adjustments proposed by YEC are approved. Please provide details of the bill calculations and indicate overall percentage changes in the total bill for each year.
- d) Please provide detailed calculations of the total bill (including all riders, rate relief, and taxes) for an ATCO Electric Yukon (AEY) residential customer in Whitehorse using 800 kWh, 1000 kWh, 1200 kWh and 1400 kWh per month in January 2017, January 2018, January 2019, January 2020, January 2021, January 2022, January 2023, January 2024 and January 2025 assuming that the

- 2024 and 2024 rate adjustments proposed by YEC are approved. Please provide details of the bill calculations and indicate overall percentage changes in the total bill for each year.
- e) Please provide detailed calculations of the total bill (including all riders, rate relief, and taxes) for an ATCO Electric Yukon (AEY) residential customer in Whitehorse using 800 kWh, 1000 kWh, 1200 kWh and 1400 kWh per month in January 2017, January 2018, January 2019, January 2020, January 2021, January 2022, January 2023, January 2024 and January 2025 and assuming that only 50% of the 2024 and 2025 rate adjustments proposed by YEC are approved. Please provide details of the bill calculations and indicate overall percentage changes in the total bill for each year.

#### UCG -YEC-1-7

*Reference:* Cover Letter dated August 31, 2023; Application page 2

*“That’s why as part of this Application, YEC is seeking the YUB’s support to approve the timing for implementation of YEC’s interim rate increases and YEC’s final rate adjustment to occur when other charges on electricity bills are expected to be reduced and/or expire. Through this approach, the impact of YEC’s 2023 and 2024 rate increases on customer bills will be reduced and there would be no impact on residential bills throughout the winter, and greater bill stability and predictability will be provided to Yukoners.”*

*Request:*

- a) Please explain fully YEC’s conclusion that the proposed rate increase impact on bills will be reduced by implementing interim rate increases and then a final rate increase. How does implementing any rate increase get justified by being offset by the elimination of temporary rate riders?
- b) Please explain how YEC accounts for affordability when proposing rate increases and how these rate increases are implemented. Does YEC consider existing rates and bills paid by Yukoners affordable?

#### UCG -YEC-1-8

*Reference:* Cover Letter dated August 31, 2023

*“In an effort to promote regulatory efficiency, YEC proposes to limit the number of intervener Information Requests (IRs) to a maximum of 50, including sub-parts.”*

*Reference:* Mandate of the Yukon Utilities Board (<https://yukonutilitiesboard.yk.ca/about/mandate-of-the-board/>)

*“Public Participation*

*As an open and transparent quasi-judicial body, the Board welcomes and encourages public participation in its hearings. Public participation ensures that all issues and perspectives come to the Board’s attention in a transparent process. Hearings allow the Board to make a fully informed decision with significant public input.”*

[...]

*“Applicants must provide information to support their requests, provide supplemental information when required, and respond to pre-hearing questions from the Board and interveners.”*

*Request:*

- a) Please explain how YEC's proposed restriction on the number of questions parties may ask with respect to the application allows the YUB to fulfill its mandate to address all issues in a transparent process.
- b) Please identify where in the YUB's mandate or its Rules of Practice there is provision to limit the questions asked to clarify the specifics of an application and permit a full and satisfactory understanding of the matters to be considered.

## UCG -YEC-1-9

*Reference:* Application, page 3; page 1-4

*"The Yukon's peak demand for electricity has increased by 23% in the last five years [from 2017 to 2022] and this trend is expected to continue with an additional 36% increase in non-industrial peak by 2030. Meeting these peaks demands for power in the short term requires the rental and operation of diesel generators each winter until new sources of dependable capacity can be built or connected to the Yukon grid. As more Yukoners begin using electricity for heat, the security provided by these rental units is more significant than ever before to ensure a reliable supply of the electricity needed to keep Yukoners' homes warm and safe during the winter months."*

*Request:*

- a) Please provide a demand curve for 2017-2024 showing layers of the end use of electricity that make up that demand (e.g., by rate class and how much of the residential demand is related to electricity for space heating).
- b) Please provide details on how the impact of YEC's 2022-2030 Demand Side Management program are reflected in what the electricity demand trend will be for 2023, 2024 and beyond.

## UCG -YEC-1-10

*Reference:* Application, page 3

*"These changes in end-user behaviour put increased pressure and strain on the electricity system and require significant and urgent investments in all aspects of the Yukon's electricity system. Supporting these climate objectives requires significant and urgent investments in all aspects of Yukon's electricity system."*

*Request:*

- a) While climate change issues are needing to be addressed, why is it suddenly urgent that Yukoners now spend so much more to build an electricity system for what some think is needed in the future? How does YEC know that the current trend to transition to more electricity use will be the best choice in the future? Why is YEC planning to spend so much for a future that is far from certain?
- b) How does using additional diesel generation to serve a perceived growing need for electricity fit with climate change concerns? Why isn't YEC spending more to provide an incentive for Yukoners to use less electricity?
- c) Please provide details on how other electricity utilities throughout Canada are addressing the transition to higher electricity use.

UCG -YEC-1-11

*Reference:* Application, pages 4 - 5

*“Rate increases in Yukon are needed over the next five to ten years to make investments to meet our growing demands for electricity. They are needed:*

*[...]*

- *“To make the electricity system resilient to climate change and to make repairs in the aftermath of climate events;”*

*Request:*

- a) Please explain what YEC means by making the electricity system resilient to climate change.
- b) Please provide details of which O&M and capital expenditures in 2023 and 2024 are related to making the electricity system resilient to climate change. Provide details on how each expenditure caters to resiliency to climate change.
- c) Please provide details of expenses incurred by YEC between 2017 and 2022 related to climate events that needed to be recovered through rates.

UCG -YEC-1-12

*Reference:* Application, page 1-2

*“All investments in Yukon’s electricity system, unless offset by government funding, must be included in the Yukon’s electricity rates.”*

*Request:*

Please confirm YEC’s understanding that it has a choice of when costs are included in its proposed revenue requirement to be recovered in rates.

UCG -YEC-1-13

*Reference:* Application, page 1-3

*“YEC is requesting incremental rate increases on October 1, 2023 and January 1, 2024 and in August 2024, to allow it to continue to provide Yukoners with an increasing supply of safe, reliable and sustainable electricity.”*

*Request:*

- a) Please explain how three rate increases over ten months contributes to stable electricity costs for Yukoners and addresses the affordability issues faced by Yukoners.
- b) Please provide studies, surveys, etc. that YEC has undertaken in the last decade to get a better understanding on affordability issues related to electricity costs and how YEC has addressed the findings of these studies and surveys.

## UCG -YEC-1-14

*Reference:* Application, Table 1-2 - Summary of Revenue and Cost Changes, page 1-7  
Independent Power Production (IPP) Cost Charges

*Request:*

- a) Please explain the difference between the \$3.085 million added purchase power cost and the amount saved on thermal power production. Is this the \$1.262 million IPP gap cost charges?
- b) Since the IPP program is a YTG promoted program offered through our public utility corporation, please explain why Yukon Development Corporation is not paying this shortfall rather than the ratepayers.

## UCG -YEC-1-15

*Reference:* Application, page 1-9

*“YEC is requesting approval of an IPP Purchase Cost Deferral Account that captures variances in IPP purchase costs included in the test year revenue requirements and actual purchase costs offset by IPP LTA thermal displacement benefits calculated using 59% LTA thermal displacement benefits.”*

*Request:*

Please explain where the incentive is for YEC to as accurately as possible forecast IPP purchase costs for recovery in rates if a deferral account is put in place.

## UCG -YEC-1-16

*Reference:* Application, Sales and Generation – Overview, page 2-1  
Minto Mine care and maintenance

*Request:*

- a) Please provide details of the amounts collected by YEC in 2023 from Minto mine and forecasted to be collected in 2024 to pay for the power used for care and maintenance of Minto mine.
- b) Please provide details of from who these costs will be recovered.
- c) Please provide details of the increase in wholesale sales (volumes and dollars) in 2023 and 2024.
- d) Is YEC proposing a new updated wholesale rate in this application? If not, why not?

## UCG -YEC-1-17

*Reference:* Application, Sales and Generation – Overview, page 2-2  
Overall total firm generation load

*Request:*

Please provide a table demonstrating for 2023 and 2024 the firm generation load amounts and dollars to be collected from each ratepayer group, including the mines.

## UCG -YEC-1-18

*Reference:* Application, Sales and Generation – Overview, page 2-2  
Non-firm secondary sales

*Request:*

- a) Although YEC states that no secondary sales were included in the 2021 GRA, there were

secondary sales of 4.7 GWh in 2021 and 3.4 GWh in 2022. Please explain what YEC did with the amounts collected from secondary sales for each of the 2021 and 2022.

- b) For each of the 2023 and 2024 test years, YEC forecasts secondary sales at 2.9 GWh. Please provide details of how YEC forecasted these amounts for each test year.

#### UCG -YEC-1-19

*Reference:* Application, Sales and Generation – Overview, pages 2-2 to 2-4

YEC provides its rationale for various load forecasts and hydro forecasts, as well as forecast fuel amounts and costs. YEC states: “*Accordingly, for the purpose of the 2023/24 GRA test years, hydro and thermal generation forecasts are based on LTA water supply for hydro generation as updated with the latest information.*”

*Request:*

- a) Please provide details of how YEC determined the load amounts for the grid.
- b) Given that YEC based the hydro generation forecasts on LTA water supply, please explain which forecasting model was used and how YEC determined these forecasts using this model.
- c) Please provide a schedule demonstrating the forecasted results, for both hydro and thermal generation, from the model used and the actual amounts of generation for each the last 10 years.
- d) Please explain if and when each forecasting model was tested and approved by the regulator.
- e) If any of these forecasting models have not been adequately tested, is YEC prepared to do so in this GRA process?

#### UCG -YEC-1-20

*Reference:* Application, Sales and Generation – Overview, pages 2-2 to 2-4  
Peak load forecasts, excluding industrial load

*Request:*

- a) Since the industrial load is not considered for the N-1 peak load criteria, explain how industrial peak load is managed.
- b) Please explain whether and how the mines contribute to the costs and amounts of fuel used with the rented diesels for peak load requirements.

#### UCG -YEC-1-21

*Reference:* Application, Sales and Generation – Overview, Sales Forecast, page 2-4

*Request:*

- a) In the summary on page 2-4, lines 11-14, please explain why YEC has not included secondary sales in this forecasting.
- b) For Wholesale sales to ATCO, YEC proposes to forecast these amounts “*based on multi-variate regression assessments of monthly wholesale changes*”. Please provide an explanation of this forecasting method using examples.
- c) YEC continues to provide rationale for not following directions from Board Order 2022-03 “to align YEC wholesale sales forecasts”. Please provide a schedule showing each sales forecast for YEC and for ATCO for the last 10 years as well as forecasted 2023 and 2024.
- d) Please provide a schedule showing the 2023 and 2024 wholesale sales forecast by YEC and the actual wholesale sales for the prior 10 years.

## UCG -YEC-1-22

*Reference:* Application, Sales and Generation – Overview, Major Industrial, page 2-5

*“Minto Mine included as industrial customer for Jan.-May/2023 and for June-Dec. 2023 and 2024 the load for Minto care and maintenance is included under the general service class.”*

*Request:*

- a) Please provide details of the consumption and related dollar amounts for each of these proposals including actuals and forecasted.
- b) Please explain how and if the amount from January to May 2023 was actually collected from Minto.
- c) Please provide details of how much Minto owed YEC upon stopping operations.
- d) Please explain how YEC is proposing to recover any outstanding amounts owed.

## UCG -YEC-1-23

*Reference:* Application, Sales and Generation – Overview, Major Industrial, page 2-6

*“Hecla Yukon (previously Alexco) resumed industrial operations in late 2020 in the Keno region north of Mayo and east of the Eagle Gold mine.”*

*Request:*

Please explain how Hecla remains under the same sales agreement with YEC as to what was a regulated process with Alexco.

## UCG -YEC-1-24

*Reference:* Application, Sales and Generation – Overview, Power Generation, page 2-9

*“The proposed forecast LTA YEC hydro generation for 2023 is 444.9 GWh and for 2024 is 446.2 GWh, utilizing updates to the LTA forecast (see Section 2.3.2).”*

*Request:*

- a) Please provide an explanation for how section 2.3.2 of the application explains this hydro generation forecast.
- b) Please provide detailed descriptions of how these forecasts were determined for each of the test years.
- c) Please provide descriptions of which forecast model was used for this determination.
- d) Please provide a schedule showing forecast hydro generation and actual generation figures for past 10 years.

## UCG -YEC-1-25

*Reference:* Application, Sales and Generation – Overview, Power Generation, page 2-10  
Integrated Grid Hydro Generation

*“In Yukon, seasonal storage exists at Aishihik and to a much lesser extent at Mayo, but not at Whitehorse.”*



*Request:*

Please explain why Whitehorse #4 is not considered seasonal storage.

## UCG -YEC-1-26

*Reference:* Application, Sales and Generation – Overview, Power Generation, page 2-10  
Diesel and LNG

The forecasts for the test years are based on proposed updates to the determination of LTA annual hydro availability for the current GRA as outlined in Appendix 2.1, including footnote 12 that indicates that updates to LTA hydro determinations and related expected LTA thermal generation requirements at various grid loads are in Table 2.1-1 to reflect changes in industrial load shape / volume as well as grid generation capabilities.

*Request:*

- a) Please explain how forecast grid load is determined.
- b) In Tables 2.1-1 and 2.1-2 in Appendix 2.1, does the line number indicate the water year or where is this indicated?
- c) Please explain which forecast model was used to determine the values in Tables 2.1-1 and 2.1.2 and provide details of the forecast methodology used.
- d) Please explain how LTA thermal generation was determined before the new forecasting model being used.
- e) Please provide a schedule indicating LTA forecast diesel and LNG thermal generation and actual diesel and LNG thermal generation for the last 10 years.

## UCG -YEC-1-27

*Reference:* Application, Sales and Generation – Overview, Power Generation, page 2-12  
Peak Demand Forecast

*Request:*

- a) Please explain details of the forecasting model used to determine peak loads and the methodology this model uses.
- b) Provide a schedule chart giving forecast peak demand (separating non-industrials and industrial peak load) and actual peak demand (separating non-industrials and industrials) for last 10 years.
- c) Please explain how the mines (industrials) are accounted for in the peak demand costs.
- d) Please explain how the mines (industrials) are accommodated in the contingency peak demand as they are not included in the N-1 criteria (i.e., do they utilize their own on-site generation?).
- e) Please explain how the costs associated with mine peak loads are recovered.

## UCG -YEC-1-28

*Reference:* Application, Sales and Generation – Overview, Power Generation, page 2-17  
Peak Demand Forecast - Table 2.2, line 3, Losses %

*Request:*

- a) Please explain how line losses are forecasted to increase from 2021.
- b) Please explain what YEC has done to lower these line losses since the last GRA.

UCG -YEC-1-29

*Reference:* Application, Table 3-1: Yukon Energy Revenue Requirement

*Request:*

- (a) Please provide a table similar to Table 3.1 showing YUB-approved revenue requirement components and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column and include footnotes identifying the YUB orders that approved the revenue requirements.
- (b) Please provide a table similar to Table 3.2 showing YUB-approved fuel and purchased power costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (c) Please provide a table similar to Table 3.3 showing YUB-approved non-fuel O&M expenses and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (d) Please provide a table similar to Table 3.4 showing YUB-approved employee complement and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (e) Please provide a table similar to Table 3.4.1 showing explanations for all employee complement between approved and actual for 2017, 2018, 2019, 2020, 2021 and 2022.
- (f) Please provide a table similar to Table 3.5 showing YUB-approved production costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (g) Please provide a table similar to Table 3.6 showing YUB-approved transmission and distribution costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (h) Please provide a table similar to Table 3.6.1 showing YUB-approved brushing costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (i) Please provide a table similar to Table 3.7.1 showing YUB-approved transmission costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (j) Please provide a table similar to Table 3.7.2 showing YUB-approved distribution costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (k) Please provide a table similar to Table 3.8 showing YUB-approved general O&M costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (l) Please provide a table similar to Table 3.9 showing YUB-approved administration costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (m) Please provide a table similar to Table 3.10 showing YUB-approved insurance and reserve for injuries and damages costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (n) Please provide a table similar to Table 3.12 showing YUB-approved property taxes costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (o) Please provide a table similar to Table 3.13 showing YUB-approved rate base components and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.

- (p) Please provide a table similar to Table 3.14 showing YUB-approved depreciation and amortization costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (q) Please provide a table similar to Table 3.14.1 showing YUB-approved Hearing Cost Reserve Account balances / transactions and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (r) Please provide a table similar to Table 3.14.2 showing YUB-approved Deferred Vegetation Management costs and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (s) Please provide a table similar to Table 3.14.3 showing YUB-approved Reserve for Site Restoration Account balances / transactions and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (t) Please provide a table similar to Table 3.14.4 showing YUB-approved Defined Pension Deferral Account balances / transactions and actuals for 2017, 2018, 2019, 2020, 2021 and 2022. Please identify percentage changes from column to column.
- (u) Please provide a table similar to Table 3.15 showing YUB-approved cost of capital and actuals for 2017, 2018, 2019, 2020, 2021 and 2022.

#### UCG -YEC-1-30

*Reference:* Application, Tab 5-3 – Deferred Costs, page 5-10

*“Deferred costs additions to rate base net of contributions approximated \$0.854 million during 2021 and \$4.545 million during 2022, and are forecast at approximately \$12.644 million during 2023 and \$2.728 million during 2024 (total of approximately \$16.5 million over these years - see Table 5.6).*

*Deferred expenditures in WIP during 2021 through 2024, and not affecting rate base until after 2024, are forecast in total at approximately \$28.9 million (see Table 5.7).”*

#### *Request:*

- a) Please explain in detail (including associated references) if the approximated amount in deferred cost additions during 2021 and 2022 which was placed into rate base was the same as allowed in the 2021/22 GRA process.
- b) Please explain the significant difference between 2022 and the forecasted 2023 test year.
- c) Please explain the difference between deferred cost additions to rate base and deferred expenditures in WIP referenced and explain what needs to happen before deferred expenditures in WIP become additions to rate base.
- d) Please provide an explanation of the difference between the 2024 deferred costs referenced and the differed expenditures in WIP.

#### UCG -YEC-1-31

*Reference:* Application, Tab 5-3 – Deferred Costs, page 5-10  
Major Deferred Projects >\$1 Million – Rate Base Additions

*“Aishihik Relicensing (Five Year Licence Renewal) - (\$3.903 million expenditure in 2022 and \$0.575 million in 2023, with \$4.479 million net increase in rate base by the end of 2023, excluding reductions due to amortization).”*

*“Demand Side (DSM) Program Development and DSM Program 2022-2030 – (\$2.774 million net increase in rate base by the end of 2024, after contributions of \$1.163 million but excluding*

*reductions due to amortization).*”

*“Southern Lakes Storage (\$8.784 million addition to rate base at the end of 2023, excluding reductions due to amortization).”*

*Request:*

- a) Please provide a schedule showing all Aishihik relicensing costs by year incurred (including the 5 year license and short-term license).
- b) Please explain if the 2022 Aishihik relicensing costs were included in the last rate hearing for that year it was costed. If not, why not?
- c) Please provide a schedule outlining DSM costs for each year from 2022 through 2024, breaking down program development costs and DSM program costs.
- d) Please explain why the 2022 costs for DSM were not included in last rate hearing.
- e) Please provide a brief description of each DSM program for each year 2022 through 2024.
- f) Please provide a schedule showing a breakdown by year of costs for the Southern Lakes Storage project.
- g) If there are years prior to and including 2022 in the above Southern Lakes Storage project amounts, explain why this was not added to rate base in the 2021 / 22 GRA.
- h) Please provide details (by year) of all costs incurred for the Southern Lakes Storage and Southern Lakes Enhancement (predecessor) projects from inception to today.

UCG -YEC-1-32

*Reference:* Application, Tab 5-3 – Deferred Costs, pages 5-10 and 5-11

*“Test year spending on major deferred cost projects focuses on projects required to address sustaining capital requirements (i.e., required to replace, repair or enhance/ improve components of the existing system to ensure continued reliability, safety and environmental or regulatory compliance), investments to ensure sufficient dependable capacity for the integrated grid, and continued planning expenditures to meet other future potential generation and transmission requirements.”*

*“Feasibility Studies – Reliability & Asset Improvements. Rate base additions of approximately \$2.229 million for the following projects:*

- *Whitehorse Post-Flood Assessment (\$0.115 million in 2022);*
- *Mayo Civil Infrastructure Refurbishment Planning (\$0.168 million in 2023);*
- *System Wide Arc Flash Study (\$0.198 million in 2023);*
- *System Wide Stability Study (\$0.200 million in 2023);*
- *Digital Strategy and Policy Development (\$0.120 million in 2023);*
- *Privacy Management Program (\$0.100 million in 2023);*
- *Cyber Security Framework (\$0.140 million in 2024);*
- *WRGS Thermal Assessment & Permitting (\$0.413 million in 2024);*
- *Transmission Line Detailed Inspection Program (\$0.250 million in 2024);*
- *Gates/TIVs Certification Assessment System Wide (\$0.200 million in 2024);*
- *Digital Reporting Review (\$0.125 million in 2024);*
- *Records Policy Planning and Program Development (\$0.100 million in 2024); and*
- *Breaker Condition Assessment (\$0.100 million in 2024).*

*Regulatory and Dam Safety Review: Rate base additions of approximately \$1.486 million for the following projects:*

- *Dam Safety Review (\$0.255 million in 2021);*
- *IPP Standing Offer Implementation (\$0.326 million in 2021, \$0.070 million in 2023);*
- *Atlin EPA Section 18 Proceeding (Hearing Reserve Account) (\$0.386 million in 2023);*
- *Public Safety Plans (\$0.225 million in 2023); and*
- *Vegetation Management Plan Update (\$0.225 million in 2023).”*

*Request:*

- a) Please explain why Whitehorse Post-Flood Assessment 2022 was not included in last GRA.
- b) Explain how each of the projects listed under Feasibility Studies and Regulatory and Dam Safety Reviews enhance YEC’s dependable capacity.
- c) Please explain why each of the Feasibility Studies and Regulatory and Dam Safety Reviews were not completed by the ever-increasing levels of YEC personnel and management, including more engineers, as part of their jobs.
- d) Since the IPP was a YTG initiated program, please explain why the IPP Standing Offer Implementation was not paid for by Yukon Development Corporation instead of ratepayers.

UCG -YEC-1-33

*Reference:* Application, Tab 5-4 – Intangible Assets, page 5-12

*“Intangible assets impacting test year rate base additions are reviewed in Tables 5.2 to 5.6 and include costs related to development of an asset management framework (i.e., PAMMS Asset Management Framework and Enterprise Asset Management Purchase and Implementation), as well as smaller projects relating to EAM Enhancement review, CIS replacement, P&C Central Event Data Collection System and SharePoint Upgrades.”*

*Request:*

- a) Please explain how each of the intangible assets enhance YEC’s dependable capacity.
- b) Please explain why this money was not used to enhance YEC aging infrastructure to enhance dependable capacity rather than on projects “without physical substance”.
- c) Please explain how each of these intangible assets will result in monetary benefits to ratepayers (i.e., will they require less staff to run YEC, will they require fewer consultants to complete YEC work, etc.).

UCG -YEC-1-34

*Reference:* Application, Tab 5-4 – Intangible Assets, page 5-13  
Major Projects > \$1 Million – Rate Base Additions

*“PAMMS Asset Management Framework – Rate base addition of \$5.466 million in 2023 – approximate expenditures \$0.439 million in 2018, \$1.349 million in 2019, \$1.530 million in 2020, \$0.303 million in 2021, \$0.835 million in 2022 and \$1.011 million in 2023.”*

*Request:*

- a) Please explain how any of the costs for the PAMMS Asset Management Framework project were accounted for in the 2021-2022 GRA.
- b) Please explain why the 2018, 2019, 2020, 2021 and 2022 costs associated with the PAMMS Asset Management Framework project were not recorded in rate base in the last GRA.
- c) Please confirm that this reference identifies all of the costs associated with the PAMMS Asset Management Framework project. If not, please identify all other costs associated with this

project.

#### UCG -YEC-1-35

*Reference:* Application, Tab 5-4 – Intangible Assets, page 5-13  
Major Projects > \$1 Million – Rate Base Additions

*“Enterprise Asset Management (EAM) System Purchase and Implementation – Rate 7 base addition of \$4.550 million in 2021 – approximate expenditures \$0.276 million in 2018, \$0.534 million in 2019, \$2.972 million in 2020 and \$0.768 million in 2021.”*

*Request:*

- a) Please confirm whether the Enterprise Asset Management project is the predecessor of the PAMMS Asset Management Framework and explain how these two projects are connected.
- b) Please explain whether any of the Enterprise Asset Management project is forecast to be placed in rate base in the 2023 or 2024 test years.
- c) Please explain the rationale for spending \$10.066 million on an intangible asset given the significant issues YEC has with dependable capacity.
- d) Please provide details of if and when YEC Board approval was provided for this spending.

#### UCG -YEC-1-36

*Reference:* Application, Tab 5-4 – Intangible Assets, page 5-13  
Intangible Projects between \$100,000 and \$1 Million – Rate Base Additions

*“Rate base additions from 2021 to 2024 in each intangible assets cost activity totaling between \$100,000 and \$1 million that impact 2024 rate base are summarized below (total rate base impact in 2024 test year of approximately \$0.766 million, excluding reductions due to amortization, reflecting \$0.147 million additions in 2022, \$0.368 million additions in 2023, and \$0.250 million additions in 2024). These rate base additions relate to the following projects:*

- *EAM Enhancements Review (\$0.147 million in 2022);*
- *Network Software Traffic Shaping (\$0.250 million in 2023);*
- *CIS Replacement (\$0.118 million in 2023);*
- *P&C Central Event Data Collection System (\$0.150 million in 2024); and*
- *SharePoint Upgrades (\$0.100 million in 2024).”*

*Request:*

- a) Please explain the purpose and justification for each of these projects.
- b) Please provide details on if and when YEC Board approval was provided for each of these projects.
- c) Please explain how each of these projects enhance YEC dependable capacity.
- d) Please confirm that “CIS” refers to the Customer Information System and that “P&C” refers to Protection and Control.

#### UCG -YEC-1-37

*Reference:* Application, Appendix 3.1 – Diesel Rental Business Case

*“Appendix A of Board Order 2022-03, paragraph 115, provided the following direction for YEC to provide a diesel rental business case in its next GRA:*

*“The Board directs YEC to provide a specific business case going forward for the diesel units (rental, lease and own/resale), other alternatives to rentals and stronger emphasis to least-cost options, the rationale for the options and the timing to implement such options. Of particular interest to assist in evaluating comparisons of Levelized Costs of Capacity would be a sensitivity analysis that includes delays in planned permanent renewable capacity projects and higher-than forecast peak demand growth over the next 10 years. The Board directs YEC to provide a business case that conforms with these business case criteria in its next GRA”.*

*In accordance with this direction, YEC has considered the following possible alternatives to the proposed short-term rental of twenty 1.8 MW diesel rental units (excluding spares) for the purpose of meeting the N-1 dependable capacity criteria requirement during winter 2023/24 and winter 2024/25:*

- *Purchase of diesel rental units, and subsequent resale of those units when they are no longer needed (i.e., the “own/resale” option described above);*
- *Longer term “lease” of diesel rental units, instead of the short-term rental of diesel units proposed by YEC (i.e., rentals for less than five months during a winter season); and*
- *Reliance on the addition of new capital facilities that are forecast to be commissioned during the GRA test years, including both the Battery Energy Storage System (BESS) project and the 6.5 MW of new permanent diesel capacity at Dawson that are forecast to be commissioned in 2024.”*

*Request:*

- a) Please provide details of any other supply-side and demand-side options considered by YEC to at least reduce the proposed need to rent 20 diesel-fuelled generation units.
- b) Please identify where YEC reviews the sensitivity of higher-than forecast peak demand growth over the next 10 years.
- c) Please provide an update on the status of the review and update of the 10-Year Renewable Electricity Plan to take into account ongoing changes, including delays expected in development of the Atlin Hydro Expansion EPA and the Tutshi-Moon Pumped Storage Hydro project.

UCG -YEC-1-38

*Reference:* Application, Appendix 4.2 – Bill Impacts Comparison

*Request:*

- a) Please explain the relevance to the YUB and Yukoners of comparing the bills paid to YEC to the bills paid to electricity users throughout Canada.
- b) Please provide details on the most significant cost drivers for the bills paid in the NWT Thermal Zone, Iqaluit and Yellowknife.
- c) Please explain how the bills paid in the NWT Thermal Zone, Iqaluit and Yellowknife are comparable to the bills paid in the Yukon.