IN THE MATTER OF the *Public Utilities Act*
Revised Statutes of Yukon, 2002, c. 186, as amended

and

An Application by Yukon Electrical Company Limited
for Approval of Revenue Requirements for 2008 and 2009

BEFORE:	W. Shanks, Chair	) September 9, 2008
	R. Laking, Vice-Chair	)
	R. Hancock	)
	J. Woodland	)
	K. Avery	)

BOARD ORDER 2008-9

WHEREAS:

A. On April 30, 2008, Yukon Electrical Company Limited (YECL) filed with the Yukon Utilities Board (Board) an Application, pursuant to the *Public Utilities Act* (Act) and Order-in-Council 1995/90, for approval of its forecast revenue requirements for the 2008 and 2009 test years and approval of certain deferral accounts (General Rate Application or Application).

B. On June 20, 2008, the Board issued Order 2008-5 which, among other matters, established a proceeding schedule for the Application.

C. Information Requests (IRs) were submitted to YECL by the Board, Yukon Energy Corporation (YEC), the City of Whitehorse (Whitehorse) and the Utilities Consumers' Group (UCG).

D. Pursuant to a request by YECL, on July 17, 2008, the Board issued Order 2008-7 extending the time for YECL to file responses to these IRs and making minor adjustments to the balance of the proceeding schedule.

E. YECL filed IR Responses on August 4, 2008.

F. On August 26, 2008, UCG filed a motion pursuant to Section 13(3) of the Board's Rules of Practice for an order of the Board directing YECL to provide further and better responses to certain IRs (UCG motion).

G. By way of a memorandum dated August 26, 2008, the Board invited comments on the UCG motion from interested parties by August 28, 2008, and a reply from YECL by September 2, 2008.

H. On August 28, 2008, YEC filed a letter in response to the UCG motion and submitted that YECL had relied on a misinterpretation of Board Order 2008-5 in refusing to answer a number of IRs.

I. On August 29, 2008, YEC filed a motion pursuant to Section 13(3) of the Board's Rules of Practice, for an order of the Board directing YECL to provide further and better responses to certain IRs (YEC motion).

J. Also on August 29, 2008, City of Whitehorse (Whitehorse) filed a motion pursuant to Section 13(3) for an order of the Board directing YECL to provide further and better responses to certain IRs (Whitehorse motion).

K. By way of a letter dated September 2, 2008, YECL responded to the UCG, YEC and Whitehorse motions.

L. The Board has considered the motions and YECL's response and has determined that YECL should be directed to provide better responses to some, but not all, of the IRs for which better responses have been requested by UCG, YEC and Whitehorse.

NOW THEREFORE, the Board orders as follows with Reasons attached as Appendix A:

YECL shall provide further and better IR Responses in accordance with the Reasons attached in Appendix A to this Order by close of business on September 15, 2008.

DATED at the City of Whitehorse, in the Yukon Territory, the 9th day of September 2008.

BY ORDER



Wendy Shanks
Chair

IN THE MATTER OF the *Public Utilities Act*
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and

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Reasons for Decision

1.0 Board Order 2008-5 Clarification

It is clear to the Board that parties have interpreted Board Order 2008-5 with respect to pre-2006 historical information for YECL, in various manners. In particular, in regard to the following portion of the Board's Reasons for Order 2008-5 [emphasis added by the Board for purposes of the present Reasons]:

> The Board has not ***presently*** been persuaded that historical information for all 10 years since YECL's last GRA is relevant or helpful in assessing the forecasts for the 2008 and 2009 test years. The Board acknowledges that YECL bears the onus of establishing the reasonableness of its Application. However, the Board agrees that some additional historical information is relevant and would be helpful. In particular, The Board considers that for certain items such as load forecasts and continuity of capital additions, five years of historical data are helpful. Therefore, the Board considers that actuals for 2003 to 2005 should be provided to assist the Board and parties in assessing the Application.
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> ...
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> ***The Board reserves the right to determine if additional historical information is relevant in specific instances.*** If parties request specific historical information from YECL in addition to that directed by the Board, the Board will deal with any objections by YECL as they arise.

In Order 2008-5, the Board did not peremptorily decide that all historical information prior to 2003 was irrelevant to the Application. The Board decided that it was not ***presently*** persuaded that all of the historical information requested by YEC at the Pre-Hearing Conference was relevant. The Board clearly left it open for parties to make specific requests for historical information not ordered by the Board in Order 2008-5 and that the Board would consider those requests subject to any objections made by YECL.

In light of the Board's views of Order 2008-5, parties seeking additional historical information must persuade the Board that the historical information is relevant and probative. Simply requesting the information is not sufficient for the Board to conclude that the historical information is relevant and material to the Application. By the same token, if a

party makes a properly supported request for this historical information, YECL's response that it is not required to provide the information by virtue of Order 2008-5 is not a sufficient response.

Therefore, the Board has considered the requests of UCG, Whitehorse and YEC for further and better IR Responses, in accordance with the quality of the request (as supplemented by their respective motions) and the quality of YECL's response (as supplemented by its submissions in response to the motions).

2.0 UCG Motion

UCG-YECL-4: As the original IR was written, the Board considers that YECL has responded to it; therefore, YECL is not required to file a further response in this regard. However, the UCG motion appears to request additional information that was not set out clearly in UCG's original IR. The Board considers that this information may be relevant and it would be helpful for YECL to respond prior to the hearing. Therefore, YECL is directed to respond to the additional information requested by UCG in relation to UCG-YECL-4.

UCG-YECL-6: As the Board indicated in Order 2008-5, historical information relating to the continuity of capital is relevant. The information requested by UCG in UCG-YECL-6 may be relevant and helpful to that extent. Therefore, the Board directs YECL to provide the information requested. The Board is not presently persuaded, however, that gains or losses on leases or sales of property between test periods are relevant to the Board's consideration of YECL's proposed 2008-2009 tariff.

UCG-YECL-7 through UCG-YECL-9: The Board considers that YECL has responded to these IRs and no further response is required.

UCG-YECL-29: In the Board's view, YECL has responded adequately to this IR and no further response is required.

UCG-YECL-30: In the Board's view, YECL has partially responded to this IR by providing the ROE percentages, but has neither provided the annual dollar amounts requested by UCG nor indicated a reason for not providing it. The Board directs YECL to respond fully to the IR and provide the annual dollar amounts of return for each year requested.

UCG-YECL-31: In the Board's view, YECL has responded adequately to this IR and no further response is required.

UCG-YECL-32 and UCG-YECL-33: UCG's original IRs are unclear. With respect to rate case costs, the Board considers that YECL has responded to these IRs and no further response is required.

3.0 YEC Motion

YEC addressed related IRs in separate sections of its motion. For ease of reference, the Board has addressed the IRs in numerical sequence.

YEC-YECL-1(a)(i): The Board finds this information relevant and directs YECL to respond fully.

YEC-YECL-2(e): In the Board's view the 1996-1997 forecast and actual information may be relevant and therefore directs YECL to respond accordingly.

YEC-YECL-3(b): Without actual evidence of the confidentiality of the agreements, the Board does not accept YECL's response. However, the Board does not consider the apparent materiality of this issue to warrant a further response.

YEC-YECL-4(f): The Board accepts the position of YECL that it did not have access to 2008 data when it created its forecast/application. Further, the Board does not believe the regulatory lag has been sufficient to warrant the provision of actuals or an update for the forecast. Therefore, no further response to this IR is required.

YEC-YECL-5(d): The Board agrees with YECL that sufficient information has been provided.

YEC-YECL-5(j): The Board accepts the position of YECL that it did not have access to 2008 data when it created its forecast/application. Further, the Board does not believe the regulatory lag has been sufficient to warrant the provision of actuals or an update for the forecast. Therefore, no further response to this IR is required.

YEC-YECL-8(a): The Board is not persuaded by YECL's argument that the information requested in this IR should not be required because it is not required in other jurisdictions. For the reasons expressed by YEC in its motion, the Board considers this information to be relevant. Therefore, YECL is directed to respond fully to the IR.

YEC-YECL-8 (i): The Board agrees with YECL that sufficient information has been provided.

YEC-YECL-13(a), (b), (d), (e): The Board agrees with YECL that sufficient information has been provided. In the Board's view, information prior to 2003 in relation to these items would add little, if any, probative value. Therefore, no further response to this IR is required.

YEC-YECL-16(d): The Board accepts the position of YECL that it did not have access to 2008 data when it created its forecast/application. Further, the Board does not believe the regulatory lag has been sufficient to warrant the provision of actuals or an update for the forecast. Therefore, no further response to this IR is required.

YEC-YECL-39(i): The Board accepts the position of YECL. YECL has provided the electronic version of the schedules. YEC has the expertise to run the scenarios and, if it wishes to do so, can submit this information as Intervenor evidence based on the schedule below.

YEC-YECL-40 (a)-(b): The Board accepts the position of YECL. YECL has provided the electronic version of the schedules. YEC has the expertise to run the scenarios and, if it wishes to do so, can submit this information as Intervenor evidence based on the following schedule:

Schedule for Filing Alternative Scenarios:

Filing of Alternative Scenarios to YECL	September 12, 2008
Information Requests from YECL	September 18, 2008
Information Responses to YECL	September 24, 2008

YEC-YECL-45(d), (e), (g): Due to the change in policy by YECL, the Board agrees with YEC that a continuity schedule is required from 1996. Therefore, the Board directs YECL to respond to parts (d) and (e). For part (g), the Board does not consider copies of correspondence with the Board relevant and therefore they are not required.

YEC-YECL-48(a): In the Board's view, YECL has responded adequately to this IR and no further response is required.

YEC-YECL-50(a): In the Board's view, YECL has responded adequately to this IR and no further response is required.

YEC-YECL-52(a): Consistent with Board Order 2008-5, YECL shall provide the information requested for 2003 and provide an explanation (part b) of why the inventory turnover information is not available for the years 2003 to 2005.

YEC-YECL-53(a): As it relates to continuity of rate base, the information requested in this IR is relevant and helpful to the Board. Therefore, the Board directs YECL to respond fully to this IR.

YEC-YECL-54(a): As it relates to continuity of rate base, the information requested in this IR is relevant and helpful to the Board. Therefore, the Board directs YECL to respond fully to this IR.

4.0 Whitehorse Motion

In each case that Whitehorse seeks additional information from YECL, its request is based on the view that YECL's budget information in non-test years is relevant and probative to assist in establish YECL's forecasting accuracy in the test period subject to the Application.

In its September 2, 2008, reply YECL submits that its internal budget forecasts "are confidential, never been produced on the public record and are not relevant or appropriate for comparison to actuals provided in the schedules included in the rate application."

The Board does not agree with YECL that its non-test year budget information is necessarily either confidential or irrelevant. However, the Board does not consider these "budgeted forecasts" to be as rigorous as those provided in a public filing and, therefore, they are of very limited value to the Board's consideration of this Application. In the Board's view, it is more effective to compare regulatory forecasts with actuals.

5.0 Conclusion

For the above reasons, the Board has not been persuaded that YECL should provide any further response to the IRs identified in the Whitehorse motion.