THE YUKON ELECTRICAL COMPANY LIMITED

An *ATCO* Company

YUKON UTILITIES BOARD
EXHIBIT C1-5
DAY | ENTERED BY YEC | DATE Jan30/09

January 30, 2009

Yukon Public Utilities Board
Box 31728
Whitehorse, Yukon
Y1A 6L3

Attention: Ms. Wendy Shanks, Board Chair

Re: Yukon Energy 2008-2009 General Rate Application Information Requests

Dear Ms. Shanks:

Please find attached pursuant to Board Oder 2008-15 Information Requests (IR's) from Yukon Electrical pertaining to YEC's 2008/09 General Rate Application. Yukon Electrical requests that excel spreadsheets complete with formulas are provided for responses that may involve tables or schedules.

Similar to the understanding identified by Leading Edge Projects Inc it is also Yukon Electrical's position that as provided in Board Order 2009-1 no IR's are required in regard to rate design or cost allocation issues as they will be addressed in a separate Phase II proceeding as determined by the Yukon Utilities Board.

Please contact the undersigned should you have any questions or if you require further information."

Yours truly,

THE YUKON ELECTRICAL COMPANY LIMITED
An *ATCO* Company

Jerome Babyn,
General Manager

YECL-YEC - 1

Topic: **Generation Outages/ Reliability**

Reference: **Overall**

Preamble: **Yukon Electrical would like details regarding all Whitehorse Rapids Hydro and Aishihik Hydro Generation facility outages impacting the WAF grid system from 2003 to 2008 inclusive.**

Requests:

(a) Please provide copies of all service interruption reports regarding generation outages at the Whitehorse Rapids and Aishihik Generating facility.

(b) Please provide an excel spread sheet or equivalent summarizing the cause for each outage at each facility.

(c) Please provide what actions or steps were taken to remedy or correct the cause for each of the outages listed.

(d) Please list all O&M and capital expenditures that have been undertaken at the Whitehorse Rapids and Aishihik Hydro Generating facilities that specifically have improved reliability to customers. Please explain how each expenditure has contributed to service reliability.

YECL-YEC - 2

Topic: **Power Generation**

Reference: **Pages 2-11 through 2-15; Page 2-19**

Preamble: **The testing of YEC's forecast hydro, wind and diesel generation forecast as well as line losses.**

Requests:

(a) In excel format for the information provided in Table 2.5, please provide the monthly data for 2005 (Approved and Actual), 2006 Actual, 2007 Actual and 2008 and 2009 forecast that supports the annual totals. Please break out the diesel generation that is related to (1) system peaks, (2) planned operation for such things as maintenance or exercising the units and (3) unplanned operation due to loss of hydro availability.

(b) In excel format, please provide YEC's 1996/1997 351 GW.h long term monthly average hydro generation capability from its Whitehorse and Aishihik plants on the WAF system. If an update is available, please provide along with explanations for any changes. If an update is not available, please advise when it is expected to become available.

(c) To better understand the quantum of hours the two systems are at operating at various loads, please provide a WAF system and MD system load duration curve for 2005 to 2007 actuals as well as for the 2008 and 2009 forecast. While YEC answered a similar question as part of its 2005 Application (YECL-YEC-1-46), it would be more helpful if YEC labeled the Y axis in "Load (MW)" and the X axis in "Duration (Hours)"

(d) Given that YEC states that it does not track actual secondary peak usage. (Note 1 in Table 2.5), please explain how system planning as it relates to firm demand is to be accomplished without knowing the impact of secondary sales.

(e) Since 2005, please detail all instances and reasons where YEC has called upon Yukon Electrical to dispatch Yukon Electrical's diesel units in Haines Junction, Teslin, Carmacks, Ross River, Stewart Crossing and Pelly Crossing. What changes, if any, are expected during the test period?

(f) Please provide a copy of the line loss study that was used to support the 2008 and 2009 generation forecast as well explanations as to why line losses increase to 8.66% in 2008 from 8.13% in 2007 and then decrease to 8.42% in 2009.

YECL-YEC - 3

Topic: **Power Generation**

Reference: **Page 10 of overview**

Preamble: **YEC states "with ongoing load growth and expressed interest from other future industrial customers, the existing hydro generation is likely to be fully utilized within the next few years, necessitating new renewable supply sources in order to avoid reliance on high cost baseload diesel generation and the resulting GHG emission issues".**

Requests:

(a) Please provide all evidence, assumptions and scenarios that support YEC's position that existing hydro generation is likely to be fully utilized within the next few years and result in a reliance on baseload diesel generation. This evidence should quantify the amount of baseload diesel generation for the applicable time period.

(b) Please comment on the impact of the worsening world and Canadian economic situation and outlook on this statement.

YECL-YEC - 4

Topic: Wind Turbine

Reference: Page 2-19 Line 10

Preamble:

Requests:

(a) Please provide details as to why the approved 2005 output from the wind turbines is overstated compared to 2005, 2006, and 2007 actuals.

(b) Please provide the 2008 actual wind generation output and rational for the 2009 forecast.

(c) Please explain what actions have been taken to increase the output of the wind generations in the test period.

YECL-YEC - 5

Topic: **Capital Projects**

Reference: **Major Projects Page 5-20**

Preamble: **Yukon Electrical is seeking more information on Mayo B hydro expansion.**

Requests:

(a) Please provide the detailed costs associated with the expenditures proposed and or expended in the test years. Please include a breakdown of all costs by labour, material, contractor and other. Please provide the details in regard to any contracts for work associated with these expenditures and the process used to select such vendors.

(b) Please provide the detailed business case for the Mayo B Expansion, including all options considered? Please provide the anticipated financing arrangements for this project and identify any customer contributions that are expected to be received. Identify the source and the amount of all such contributions.

YECL-YEC - 6

Topic: **Capital Projects**

Reference: **Major Projects Page 5-21**

Preamble: **Yukon Electrical is seeking more information on the Western Copper Grid Connection.**

Requests:

(a) Please provide the detailed costs associated with the expenditures proposed for 2009. Please include a breakdown of all costs by labour, material, contractor and other. Please provide the details in regard to any contracts for work associated with these expenditures and the process used to select such vendors.

(b) Please provide the detailed business case for the Western Copper grid connection including anticipated load and energy use?

(c) Please advise what rate YEC is proposing that Western Copper will be paying for its energy usage. Provide a breakdown of the calculations and determinants that will be used to make up the rate.

YECL-YEC - 7

Topic: **Capital Projects**

Reference: **Major Projects Page 5-23**

Preamble: **Yukon Electrical is seeking more information on the Alexco Mine Feasibility and permitting costs.**

Requests:

(a) Please provide the detailed costs associated with the expenditures ($300,000) proposed for 2009. Please include a breakdown of all costs by labour, material, contractor and other. Please provide the details in regard to any contracts for work associated with these expenditures and the process used to select such vendors.

(b) Please advise what rate YEC is proposing that Alexco Mine will be paying for its energy usage.

(c) Please confirm that Alexco will be paying the $300,000 feasibility costs for this project. Please advise what the total customer contribution is expected to be for the connection of the Alexco Mine should it occur and who will be paying the contribution.

(d) Please provide a copy of the technical analysis conducted that shows the impact on existing customers in Keno Hill as a result of the connection of Alexco to the grid (voltage fluctuation, motor start studies, etc).

YECL-YEC - 8

Topic: **WAF Hydro Surplus, Minto Industrial Load and CSTP Development**

Reference: **Introduction Page 1-7**

Preamble: **Yukon Electrical wishes to better understand the arrangements and cost benefits associated with the addition of Minto Mine and the CSTP expansion.**

Requests:

(a) Please provide a comparison of the forecast to actual costs of the Minto Mine spur line and phase 1 of the CSTP. Please indicate all contributions that were made and identify the source of the contribution.

(b) Please provide the business case and regulatory models associated with Phase 2 of the CSTP. Please show the Net Present Value NPV analysis, with and without the addition of the Alexco Mine. Please provide details of the anticipated customer contributions that will be required. Please identify the party(ies) expected to make such contributions and when.

(c) In regard to the connection of the two grids, the Mayo Dawson at 69kV and the CSTP at 138kV, what specific equipment is being proposed to transparently allow the grids to synchronize and support each other? Please provide the technical documentation for this equipment.

(d) Please provide a copy of the recommendations provided by the Auditor General related to the Mayo Dawson Transmission line. Please detail the manner in which YEC has specifically implemented those recommendations with respect to the CSTP.

(e) What is the maximum power (MW) that can be transmitted down the 69kV line from Mayo toward the Grid tie point.

YECL-YEC - 9

Topic: **CSTP Connection of Minto Mine and Pelly Crossing Loads**

Reference: **Page 8 of the application**

Preamble: **"Net revenue losses due to delays in final connection, Minto Mine and Pelly Crossing. ($197,000 approximately)**

Requests: Yukon Electrical would like to understand what caused YEC to be delayed in connecting the Minto load.

(a) Please describe in detail what caused YEC to be delayed in connecting the Minto mine load.

(b) Please describe in detail all scope changes in the construction of the CSTP to Minto Mines spur line and Pelly Crossing and the costs associated with each change. For each scope change indicate what alternatives were considered and ultimately selected and why.

(c) Please provide a detailed explanation as to why customers through the Faro Dewatering Account should compensate YEC, due to YEC's inability to execute the planned Minto and Pelly connections on time.

YECL-YEC - 10

Topic: **Working Capital**

Reference: **Tab 7, Schedule 2, Line 5**

Preamble: **Yukon Electrical needs to understand the calculation of the lag days used in the working capital calculation.**

Requests:

(a) Please provide a complete copy of the lead lag study performed to develop the lag days of 27/365 used on Schedule 2.

(b) Please confirm that the data used in this calculation was from 2005.

(c) If confirmed, please explain why a more recent study using 2007 actuals was not performed.

(d) If not confirmed, please provide the date of the last study completed.

YECL-YEC - 11

Topic: **Capital Projects**

Reference: **Major Projects Over $1 million- page 5-3**

Preamble: **Yukon Electrical wishes to better understand the need and cost benefits associated with major capital projects proposed by YEC**.

Requests:

(a) Please fully explain YEC's capital approval process and authorities required to be obtained for its capital projects.

(b) If not explained in (a) above, please explain YEC's internal reporting process for completed capital projects.

(c) Please provide copies of all post completion reports for capital projects placed in service during 2005-2008. Please ensure that the final actual costs and approved costs are included in the reports.

(d) Please provide detailed business cases for all projects in excess of $1M, as shown at lines 8-18 page 5-3 of the Application. Please include the cost of alternatives considered and an NPV calculation for each option. In addition, please provide copies of the tendering process used or proposed to be used for each project and identify which vendors were invited to submit a bid. Indicate what criteria were or will be used to evaluate the bids and how the final selections were made.

(e) In relation to the above projects, please identify any actual or expected scope and or cost changes that have occurred and provide the reasons for these changes.

(f) Please provide a list of contribution requirements for any of the above-mentioned projects and identify the party that is providing the contribution.

YECL-YEC - 12

Topic: **Capital Projects**

Reference: **Distribution Projects Page 5-14**

Preamble: **Yukon Electrical wishes to better understand the specific tasks and type of expenditures that are associated with Land Management and Easement Projects shown at line 15-19 on page 5-14.**

Requests:

(a) How much was spent on this type of activity by YEC in each of the years 2005, 2006, and 2007?

(b) In relation to the above projects, what were the specific tasks that were undertaken with respect to this project? Please provide a breakdown by labour, material, contractor, and other costs associated with these expenditures. Does YEC pay for easements and if so at what level? For all of the above information please separate this information between land tenure for Crown land and that for private lands.

(c) Please identify any easements YEC is seeking for existing facilities. Please explain why such easements are required.

(d) What are the estimated costs associated with completing this project? What is the estimated cost per kilometer of distribution line for this activity once the project is completed?

YECL-YEC - 13

Topic: **Capital Projects**

Reference: **Distribution Projects Page 5-15**

Preamble: **Yukon Electrical wishes to understand the improvements that may be required on the Whitehorse Dam.**

Requests:

(a) Please provide a copy of the study undertaken in 2008 for the Whitehorse dam, as shown on lines 3-7 on page 5-15? What process was undertaken to select a vendor to do this study? In providing this response, identify how many vendors were invited to bid and the respective bid amounts.

(b) What have been the costs associated with the excessive wear on the gate hoist machinery?

(c) For each of the years 2005 to 2009, provide the amount of extra labour costs incurred to ensure the gates do not freeze in the winter.

YECL-YEC - 14

Topic: **Capital Projects**

Reference: **Distribution Projects Page 5-15 Vehicle Purchases**

Preamble: **Yukon Electrical wishes to understand the costs associated with vehicle purchases.**

Requests:

(a) For 2005 - 2009, please provide a detailed breakdown of the costs for each service body unit.

(b) Was a tendering process used in the purchase of the units? If so how many bids were received and what were the various prices provided by vendors? If not, why not?

(c) Did YEC dispose of the old service bodies being replaced? If so, please provide the salvage value or expected salvage value of each unit and where is the salvage value recorded?

YECL-YEC - 15

Topic: **Capital Projects**

Reference: **Distribution Projects Page 5-18- line assessment phase 2 Carmacks- Faro**

Preamble: **Yukon Electrical is seeking more information on the Carmacks- Faro Phase 2 project.**

Requests:

(a) Please provide the detailed costs associated with the line assessment being undertaken for the Phase 2 Carmacks-Faro transmission line. Please include, labour, material, contractor and other costs. Please explain how this study differs from the study that was undertaken in 2004 by YEC.

(b) Please provide copies of YEC's Asset Management program as well as all end-of-life studies performed by YEC since 2004

YECL-YEC - 16

Topic: **Transmission Standards**

Reference:

Preamble: **Yukon Electrical would like to better understand the rational for the standards adopted by YEC for transmission infrastructure.**

Requests:

(a) Please list the third party consultant YEC engaged when selecting the design standard for the Mayo/Dawson 69KV line and the costs associated with this vendor.

(b) Please provide the rational for the type of structures and transmission voltage selected for the Mayo/Dawson 69KV transmission line.

(c) Please provide the same detail as in (b) above for the structures selected for the CSTP.

(d) Please provide a list of the external consultants procured by YEC to design, construct, and site manage the CSTP project. In addition, please provide the costs associated with each of the external consultants.

(e) Please provide all contracts that YEC established for the construction of the CSTP/Minto Mine Spur, including contracts with First Nations and Valard Construction.

YECL-YEC - 17

Topic: **Transmission and Distribution Costs**

Reference: **Table 3.6 and Table 3.7**

Preamble: **Yukon Electrical needs more information in order to fully understand costs.**

Requests:

(a) For each of Transmission and Distribution, please provide details of costs for 2005-2009 by activity such as:

- (i) Supervision and Engineering;
- (ii) Overhead line maintenance;
- (iii) Underground line maintenance;
- (iv) Substation maintenance.
- (v) Brushing;
- (vi) Meter and meter testing;
- (vii) Service to outside parties;
- (viii) Transformer repair and maintenance; and
- (ix) Street light maintenance.

(b) For each of Transmission and Distribution, please provide year end actual and forecast details for 2005-2009 of:

- (i) Km of line; and
- (ii) Number of Substations
- (iii) Number of customers served off of each line

YECL-YEC - 18

Topic: **Transmission Projects**

Reference: **Pages 5 -18 & 5 - 19**

Preamble: **Transmission Projects $100,000 to $1 million over the test period**

Requests: Yukon Electrical would like to better understand the types of activities and process YEC uses to complete transmission maintenance.

(a) Please provide details (labour, material contractor and other) of the $155k spent in 2008. Outline the specific tasks undertaken.

(b) Please provide the details (labour, material contractor and other) of the $220k planned in 2009. Outline the specific tasks undertaken.

(c) Lines 14 through 30 on page 5-18 and lines 1 through 15 on page 5 -19 suggest various patrol, inspection and testing procedures to be executed on various components of the transmission system. Please provide copies of YEC's transmission maintenance procedures and programs and the associated cost of each program. (Pole test and treat, Insulator sample test program, etc.)

(d) What problems have been experienced on the transmission system since 2005? How were they rectified?

YECL-YEC - 19

Topic: **Primary Wholesale Sales to Yukon Electrical**

Reference: **Page 2-3 lines 9-11; Page 2-5 Table 2.1; Page 2-16 Table 2.2**

Preamble: **Absent Pelly Crossing, wholesale sales are forecast at 238,439 MW.h in 2008 and 264,626 MW.h in 2009, with percentage growth rate of approximately 1.38% in 2008 over 2007 actuals, and 2.39 % in 2009 over forecast 2008.**

difference in "ongoing sales" forecast (MW.h) between YEC and YECL (-1,293 MW.h (2008); 3,164 MW.h (2009))

Requests:

(a) In excel format for each of the WAF and MD grids, please provide the forecast monthly wholesale sales for 2008 and 2009 as compared to actuals for 2005, 2006 and 2007.

(b) Other than adjusting for the impact of YEC changing its secondary sales forecast from that originally provided to Yukon Electrical and YEC using actual wholesale sales for the period January 1 – June 30, 2008, please confirm YEC is relying on Yukon Electrical's 2008 wholesale purchased power forecast for purposes of its own 2008 wholesale sales forecast. If not, please explain why.

(c) Please confirm that YEC's 2008 "ongoing sales" wholesale sales forecast is 1,293 MW.h lower than what was forecast by Yukon Electrical. If so, please explain why.

(d) In excel format, please provide the details of the wholesale sales WAF load growth for the 2001-2004 period averaging 2.2% per year as well as the more recent experienced growth rate in WAF wholesale sales from 2004 – 2007 of 2.5% per year. Please explain what YEC believes have been the major underlying drivers of this growth.

(e) Please provide the annual average wholesale sales growth rate and associated details for the period 1996 to 2007 as well as the annual average growth rate for the period 1986 – 2007. Please explain the underlying reasons for the differences in these longer term growth rates

relative to the 2.39% ongoing WAF and MD sales (excluding Pelly) growth rate used by YEC for 2009.

(f) Other than simply looking at historical averages for the period 2001 – 2007, please detail all other work YEC has performed to understand the underlying load drivers of the recent historical growth rate and why these factors are reasonable to use on a go forward basis to determine a wholesale load growth for 2009 and beyond. More specifically, please detail and provide an analysis of the new load that is driving the 6,157 GW.h of ongoing WAF and MD load growth between 2008 and 2009.

(g) Did YEC discuss its wholesale sales forecast assumptions with Yukon Electrical prior to the filing of its own Application? If not, why not?

(h) Did YEC consider adjusting its 2009 wholesale growth forecast, that appears to be based on simply trending recent past growth, to reflect past "one of" load growth changes experienced in the Whitehorse area including government commercial customers such as the Canada Games Centre, the Copper Ridge Extended Care Facility, the Athletes Village at Yukon College or non-government commercial customers such as Wal-Mart, Superstore and Canadian Tire? If yes, please quantify. If not, please explain why not.

(i) Please confirm YEC uses temperature forecasts to forecast its sales load for purposes of determining surplus hydro availability for secondary sales customers. If not, please explain why not. If yes, please detail what YEC has learned with respect to the relationships between WAF and MD loads and temperature.

(j) Did YEC prepare its 2008 and 2009 wholesale sales forecast on a temperature normalized basis? If not, please provide.

(k) Please provide 2001 – 2007 actual wholesale sales and annual growth rates on a temperature normalized basis.

(l) Please comment on the impact of the worsening world and Canadian economic situation and outlook on YEC's wholesale sales forecast and, more specifically, on current and new forecast retail customers served off the WAF grid.

YECL-YEC - 20

Topic: **Major Industrial Sales**

Reference: **Pages 2-5 to 2-7 of Application; Page 2-16 Table 2; Schedule A Industrial Primary Rate Schedule 39.**

Preamble: **YEC is forecasting 6,845 MW.h of major industrial sales in 2008 and 29,023 MW.h in 2009. This is slightly lower than the 32,500 MW.h per year assumed in the Power Purchase Agreement ("PPA") Application for Minto filed in February 2007, and reflects the fact that several loads included in the original assumptions provided by Minto Explorations were not ultimately required.**

Requests:

(a) On a monthly basis for 2008 and 2009, please provide all the billing determinants for industrial sales (Demand Charge, Energy Charge, Fixed Charge) that result in total forecast revenues of $709,000 in 2008 and $3,142,000 in 2009.

(b) Please detail the due diligence and analysis performed by YEC to prepare the industrial sales forecast including an analysis of the underlying load assumptions used in the preparation of the GRA forecast as compared to the underlying load assumptions used in the preparation of the PPA. Please comment on the factors that would result in actual sales being higher or lower than forecast.

(c) Please comment on the impact of the worsening world and Canadian economic situation and outlook on YEC's industrial sales forecast.

(d) Please confirm that YEC is holding a security deposit for its new industrial customer per Section 4.9 of the Electric Service Regulations. If not, please explain why and detail the security that YEC has in place with respect to collection risk on energy sales to Minto Explorations.

(e) Using the same load forecast in 2010 as used for 2009 as well the most recently available chain price index, please provide the forecast revenue increase for 2010 as a result of the escalation of demand and energy charges based on the 12 month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada.

(f) Please provide a copy of the YEC / Minto Explorations PPA that was signed off by representatives of YEC and Minto Explorations, filed with the Board on May 14, 2007 and approved by the Board in Board Order 2007-6.

(g) Further to YEC stating it expected to commence PPA discussions with Western Copper later in 2008 (page 2-7), please provide an update on the status of these PPA discussions and the impact on YEC's longer term load forecast relating to this customer.

(h) Further to YEC stating it expected to discuss a PPA with Alexco Resource Corp. (Alexco) later in 2008 (page 2-7), please provide an update on the status of these PPA discussions and the impact on YEC's longer term load forecast relating to this customer.

(i) Further to YEC stating there are other near-term mine developments in the next 4 to 7 years, please provide an update on these near-term mine developments and the impact on YEC's longer term load forecast.

YECL-YEC - 21

Topic: **Residential and General Service Sales Forecast**

Reference: **Page 2-8, Page 2-16 through to Page 2-18**

Preamble: **Residential sales are forecast to be 11,155 MW.h in 2008 and 11,183 MW.h in 2009 and General Service sales are forecast to be 18,193 MW.h in 2008 and 19,543 MW.h in 2009.**

Requests:

(a) Please confirm if YEC believes its Residential and General Service retail sales are impacted by temperature? If so, please quantify. If not, please explain why not.

(b) Please confirm YEC prepared its Residential and General Service sales forecast on a temperature normalized basis. If not, please explain why.

(c) Please provide an update on YEC forecasted sales with Alexco and the due diligence it has done with respect to forecasting the load.

(d) Please provide the forecasted peak demand for Alexco and the due diligence YEC completed to confirm this forecast.

YECL-YEC - 22

Topic: **System Bulk Power Supplies**

Reference: **Introduction to application page 11**

Preamble: **Under b. Firm Electric Heating YEC states "it is imperative that customers today do not receive price signals that encourage the installation of inefficient baseboard electric heating…."**

Requests:

(a) Please provide copies of any analysis undertaken by YEC to support the view that the use of baseboard heating contributes significantly to system load in the Yukon.

(b) Please provide copies of all meeting minutes or notes whereby YEC consulted with Yukon Electrical, as the primary distributor and customer contact in the Yukon, as it relates to energy planning for the Yukon.

YECL-YEC - 23

Topic: **Secondary Sales Forecast**

Reference: **Page 2-9 to Page 2-10**

Preamble: **Secondary sales are forecast to be 20,557 MW.h in 2008 and 16,613 MW.h in 2009.**

Requests:

(a) Please confirm that YEC prepared the secondary sales forecast based on normalized temperatures. If not, why not.

(b) In excel format, please provide and supporting data that was used to prepare the daily and monthly secondary sales forecasts that total 20,557 MW.h and 16,613 MW.h for 2008 and 2009 respectively.

(c) In excel format, please provide the load and supply data that resulted in YEC determining there would be 1,740 hours of secondary sales interruption in January, February and December of 2009.

(d) In excel format, please explain and detail how YEC determined the maximum potential secondary sales in 2009 is forecast to be 22,000 MW.h reflecting the sum of connected loads, less an unavailability factor related to customer equipment.

(e) Please explain and detail the work done by YEC when it advised Yukon Electrical in early 2008 that forecast secondary sales for 2008 and 2009 were 16,853 MW.h and 6,954 MW.h respectively as compared to YEC's October 2008 GRA forecast of 20,557 MW.h and 16,613 MW.h respectively. Please ensure this response highlights the major changes in assumptions and the associated reasons.

(f) Please confirm which secondary sales customers were SCADA connected customers in 2005, 2006, 2007 and which customers are forecast to be SCADA connected in 2008 and 2009. What is the forecast impact, if any, of the additional customers being SCADA connected?

(g) In a manner similar to YECL-YEC-1-46 (2005 YEC Application IR response), please prepare a chart that compares monthly 2005 WAF surplus hydro availability to the forecasts for 2008 and 2009.

YECL-YEC - 24

Topic: **Line Losses**

Reference: **Page 2-19**

Preamble: **Line 3 losses - %. Yukon Electrical would like more information on line losses**

Requests:

(a) Please provide a breakdown of the line loss total into the Mayo Dawson versus WAF grids.

(b) Please comment on the difference in loss percentages and any plans in the test periods to improve upon the efficiencies in the respective systems.

YECL-YEC - 25

Topic:

Reference: **Page 12 – Workshop Presentation Faro Dewatering Account**

Preamble: **Yukon Electrical wishes to understand the customer impact of using the Faro Dewatering Account to pay for unrelated YEC costs.**

Requests:

(a) Please provide the details of all of the withdrawals / inputs that YEC has made on the dewatering account since it's inception.

(b) Please provide a continuity schedule demonstrating a) above.

(c) Please provide the percentage of rate increase that each withdrawal represents to customers had it been provided through traditional regulatory means.

YECL-YEC - 26

Topic: **20 Year Resource Plan**

Reference: **Introduction Page 1-3**

Preamble: **Throughout it's application YEC refers to the 20 Year Resource Plan**

Requests:

(a) Has the 20 Year Resource Plan been approved for implementation? If so under which authority has it been approved? Please provide a copy of the approval.

(b) What aspects of the 20 year plan have been implemented and what have been the costs associated with implementing each aspect of the Plan?

(c) Did YEC consult with Yukon Electrical on the 20 Year Plan. If not, why not? If so, please provide all documentation in YEC's possession regarding such discussions.

(d) Does YEC support ongoing consultation with Yukon Electrical on system planning matters, as Yukon Electrical serves the majority of the customers in the Yukon? If not, why not? If so, please provide the details of how YEC plans to include Yukon Electrical and its customers in the system planning process?

(e) Will the proposed 3rd wheel at Aishihik increase the maximum amount of MW that YEC will be able to supply to the grid? If so, how many additional MWs will be generated? How long would this increased amount of MW be sustained?

YECL-YEC - 27

Topic: **Accounting Policy**

Reference: **General**

Preamble: **Yukon Electrical needs to understand YEC's accounting and regulatory practices.**

Requests:

(a) Please provide details, rationale, and support for, all changes to accounting policies since 2005.

(b) Please provide details, rationale, options considered and support for all changes to regulatory practice since 2005.

YECL-YEC - 28

Topic: **Rate Case Expense**

Reference: **Page 4**

Preamble:

"c. ***Depreciation and Amortization Expenses*** *of $6.403 million for 2008 and $6.930 million for 2009 including approval to amortize the following regulatory costs:*

i. An estimated "placeholder" expense of $0.800 million related to costs for the current GRA (Phase I) Application, anticipated to be incurred over 2008 and 2009 for preparation and review of the Application and reimbursement of related intervenor and YUB costs, to be amortized over the 2 test years (2008 and 2009). The intensity and duration of the regulatory process cannot be determined at this time.

Accordingly, Yukon Energy seeks approval to adjust the above amount to reflect the full actual amounts incurred or Ordered to be reimbursed at the time of the final refiling in the current GRA process, following receipt of all final Orders from the Board. No amounts have been estimated for any future Phase II GRA activities related to further rate design and/or cost of service study matters."

Requests:

(a) Please provide complete details of all components of $800,000 estimate for rate case costs, including estimate for internal costs and external costs.

(b) If estimate for costs includes use of consultants, please provide:

(i) engagement letter and terms of reference;

(ii) description of services being provided; and

(iii) hourly rate being charged and hours estimated.

(c) Please confirm that amortization of rate case costs of $400,000 is included in YEC's revenue requirement for each of 2008 and 2009.

(d) Please provide a continuity schedule of this deferral account for the period 2005-2009 showing:

(i) opening balance;

(ii) rate case costs;

(iii) amortization of rate case costs; and

(iv) closing balance.

(e) Please confirm that YEC's intent is to continue to include $400,000 in revenue requirement and amortization expense in 2010 and beyond if there is no rate case for 2010 and 2009 rates continue into 2010. If not confirmed, please fully explain why not.

YECL-YEC - 29

Topic: **Reserve for Injuries and Damages (RFID)**

Reference: **Page 3-13, Lines 5-6 and Page 4**

Preamble: **Page 3-13**

The Reserve for Injuries and Damages ("RFID") is an account maintained as approved by the Board, in order to address uninsured and uninsurable losses as well as the deductible portion of insured losses.[7]

[7] Yukon Energy noted during the 2005 rate review process that it applies the following corporate accounting practice with respect to the Reserve for Injuries and Damages (RFID):
• It is a contingency reserve set up to address the cost of uninsured/uninsurable losses.
• Uninsured losses are defined as losses that could be covered by insurance but which Yukon Energy has chosen not to insure because the probability, frequency and/or dollar value of losses do not justify the premium.
• Uninsurable losses are those losses for which coverage is not available in the conventional insurance market.
• The RFID is also used to pay the insurance policy deductible in the event of a claimed loss.

Page 4:

To increase the annual appropriation to the RFID to $150,000 from the current $50,000 starting in 2009.

Requests:

(a) Please provide details of the process that is followed when charging items to the RFID, including an outline of all approvals required prior to charging items to the RFID.

(b) Please provide a continuity schedule for the period 2005-2008 of the RFID showing:

(i) Opening balance;

(ii) Claims (itemize all claims to reserve);

(iii) Provision charged to O&M;

(iv) Other (itemize all transfers, etc.; and

(v) Closing RFID balance.

(c) For all claims itemized above please provide:

(i) Description of claim;

(ii) Date when incident happened;

(iii) Explanation of why it qualified to be charged to RFID; and

(iv) Evidence of appropriate sign offs and approvals for incident to be charged to the reserve.

YECL-YEC - 30

Topic: **Affiliate Agreements**

Reference: **General**

Preamble: **Yukon Electrical is interested in understanding the relationship between YEC, YDC and YTG.**

Requests:

(a) Please provide a copy of all agreements that exist between YEC and YDC as well as YTG pertaining to affiliate transactions, governance, code of conduct, etc. Also, please provide a breakdown of any funds that YEC has received or anticipates receiving from or paying to YDC and or YTG for the years 2005 to 2009 and provide the details of each transaction.

YECL-YEC - 31

Topic: **International Financial Reporting Standards (IFRS)**

Reference: **Page 5-23, Lines 11-16**

Requests:

(a) Please provide details of the costs that comprise the $46,000 in 2008 and $105,500 in 2009 required to investigate IFRS.

(b) If any of the cost components in (a) above include payments to external consultants, please provide:

(i) engagement letter and terms of reference;

(ii) description of the services being provided; and

(iii) the hourly rate being charged.

(c) Please provide a status on what steps YEC has taken to date to be compliant with IFRS and provide YEC's detailed plan, including timelines, on what YEC is required to do to become compliant effective 2011.

YECL-YEC - 32

Topic: **Insurance**

Reference: **Page 3-12, Table 3.10**

Requests:

(a) For 2005-2009, please provide details of insurance coverage. Include information on the amount being covered, a description of each component of the coverage, as well as, the deductible and forecasted premiums for each policy for the coverage.

(b) Please explain all changes to either the insurance coverage or the deductible since 2005.

(c) Please discuss the interrelationships between coverage, deductibles and premiums and why the specific levels were arrived at for each policy included in (a) above.

YECL-YEC - 33

Topic: **Information Systems**

Reference: **Page 3-11**

Preamble: **Since 2005, there has been a significant increase in software license fees.**

Requests:

(a) (i) Please provide details of each fee, including what system fee is required and who fee is paid to.

(ii) If fee is paid to an 'affiliate' organization external to YEC, please provide a copy of service agreement that governs service levels and associated costs.

(iii) If there is no service agreement, please explain why not.

YECL-YEC - 34

Topic: **Other Revenues**

Reference: **Schedule 11 line 50**

Preamble: **Other revenue decrease from $161,000 in 2006 to forecasts of $125,000 in each of 2008 and 2009.**

Requests:

(a) On annual basis from 2005 through to 2009, please provide details on Other Revenues and provide reasons for variances.

YECL-YEC - 35

Topic: **Capital Expenditures – JD Edwards Replacement**

Reference: **Page 5-17**

Preamble: **Yukon Electrical wishes to understand the business needs for replacing the current Financial System**

Requests:

(a) Please provide the year acquired and total cost JD Edwards was acquired for.

(b) Please provide the annual upgrade details and costs to JD Edwards since inception and the current version of the software.

(c) Please provide the current yearly licensing and maintenance fees for JD Edwards.

(d) Please provide the business case used in the decision to replace this system.

YECL-YEC - 36

Topic: **Forecasts**

Reference: **General**

Preamble: **Yukon Electrical would like to better understand YEC's process for developing forecasts included in this application.**

Requests:

(a) Please provide details of YEC's process for developing the labour and other expenses forecasts included in this application. Include all important timelines, and all approvals required prior to finalizing the forecasts. Include the process for both O & M and Capital forecasts.

(b) If different, please provide details of the process required for preparing internal budget forecasts.

YECL-YEC - 37

Topic: **Administration Labour**

Reference: **Page 3-12, Lines 6 to 8**

Preamble:

"Administration labour increased between 2005 and 2007 due to both wage increases (negotiated and step increases) and increases in staff positions."

Requests:

(a) Please provide a copy of the latest labour agreement negotiated between YEC and its in-scope workers regarding wage increases.

(b) Does this agreement cover each of the Test Years? If not, please provide the basis for the requested increases for each of the Test Years.

(c) Please provide the basis for the requested increases for employees not covered by a negotiated labour agreement.

(d) Please provide a breakdown of the labour inflation for 2008 and 2009 included in forecasts as follows:

- employees covered by contract negotiations;
- employees not covered by contract; and
- increments/steps.

(e) Please provide the 2005-2007 actuals as well as 2008-2009 forecasted increments/steps.

(f) Please provide a business case for all employee additions since 2005 included in general administration. The business case should include information on:

- date when position added;
- job description;
- explanation of why position needed; and
- justification for position.

YECL-YEC - 38

Topic: **Administration**

Reference: **Table 3.9**

Preamble: **Yukon Electrical requires more detail to understand costs.**

Requests:

(a) For information systems for 2005-2009 provide:

(i) costs by system;

(ii) for each system provide breakdown of costs by service; and

(iii) for each service provide units provided and rates.

(b) For general costs for 2005-2009, please provide details of each component over $50,000.

(c) Recruitment costs:

(i) Please provide details of what comprises recruitment costs in each of 2005-2009; and

(d) Board of Directors:

(i) Please provide details of costs including fees paid to Directors for attendance at meetings, retainers, etc; and

(ii) If a market study to determine whether Directors' fees are at market has been conducted, please provide; and

(iii) If a market study has not been undertaken what steps has YEC performed to ensure Directors' fees are not above market.

(e) Out of scope labour:

(i) If a market study to determine whether out of scope salaries are at market has been conducted, please provide; and

(ii) If a market study has not been undertaken what steps has YEC performed to ensure out of scope salaries are not above market.

YECL-YEC - 39

Topic: **Non-Fuel Operating, Maintenance, and Administration Expenses**

Reference: **Table 3.3**

Preamble:

Requests:

(a) For each of Production, Transmission, Distribution, and General O&M, and Administration, please provide costs by activity for 2005-2009 by the following components:

(i) labour

(ii) fringe

(iii) contractor services

(iv) other

(b) For costs included in contractor services, please provide:

(i) details and costs of each of the services being provided; and

(ii) a business case justifying use of contractor.

YECL-YEC - 40

Topic: **Labour**

Reference: **Page 3-6 and Table 3.3 & 3.4**

Preamble: **Yukon Electrical wishes to understand the components of labour dollars**.

Requests:

(a) Provide, by department detailed in Table 3.4, costs associated with:

(i) Northern allowance;

(ii) Travel related benefits provided to employees;

(iii) Variable pay programs other bonus related programs provided to employees;

(iv) Fringe benefits; and

(v) Other - provide details of other labour related costs included in the forecasts.

(b) Please indicate where the items in (a) above are included in YEC's forecasted revenue requirement.

(c) If there are variable pay programs or other bonus programs, please provide a redacted copy of the contract between employee and YEC.

(d) If there is no formal contract signed by the employee, please provide the policy for when payment is made under these programs.

(e) Please confirm that there are no earnings related incentive programs included in revenue requirement.

(f) If not confirmed, please explain.

(g) Provide details, description and quantification of the components of fringe benefits/fringe benefit rate (e.g. CPP, EI, Pension, etc.)

YECL-YEC - 41

Topic: **Employee Complement**

Reference: **Page 3-7 and Table 3.4**

Preamble:

Table 3.4
Employee Complement History

	Actual 2005	Actual 2006	Actual 2007	GRA 2008	GRA 2009
President	1.60	1.50	2.50	2.50	2.50
Communications	1.00	1.00	1.00	1.00	1.00
Human Resources & Info. Mgmt.	6.06	6.01	6.00	7.00	7.00
Business Development	1.08	1.00	1.00	1.00	1.00
Finance, Cust. Acctg. & Purchasing	11.05	11.49	11.63	12.81	12.81
Operations	34.82	39.43	38.60	40.20	40.10
Engineering Services	13.21	13.58	14.00	12.67	12.00
Health, Safety & Environment	1.00	1.00	3.00	3.33	3.33
Total	69.82	75.01	77.73	80.51	79.74

Requests:

(a) For 2005-2009, please provide the vacancy rate by department as well as the overall corporate vacancy rate.

(b) For 2008 and 2009, please provide the vacancy rate assumptions used in developing the forecast complement. Also provide the overall corporate vacancy rate forecast.

(c) Please expand Table 3.4 to identify the employee complement separately charged to O&M and to Capital.

YECL-YEC - 42

Topic: **Labour**

Reference: **Section 3**

Preamble: **Yukon Electrical is interested in understanding the labour costs of YEC.**

Requests:

(a) Please provide a complete organizational chart(s) for all employees of YEC.

(b) How many employees did YEC have when they took over the management of the government power system assets in 1997? What have been the fundamental changes to the business of YEC that have created the need for the significant number of new positions since that time?

(c) Please provide YEC's total labour costs, including both capital and O & M, and the overall average labour cost per employee

(d) What are YEC's total costs, per customer and per pole, for both Transmission and Distribution expenses?

(e) On line 20 and 21 page 3-9 YEC refers to "less time being spent on maintenance of the fleet…." Please identify the savings expected to be achieved in each test year. Where are the savings reflected in the application?

(f) In table 3.8 page 3-9 please provide a breakdown of all company owned properties. Please provide the details of the costs associated with each of the properties that are included in the test period revenue requirement.

(g) Please define and itemize special projects included in table 3.8.

(h) In regard to transportation costs in table 3.8, are these YEC's entire transportation costs or are there additional transportation costs allocated to projects? If there are transportation costs allocated to projects please provide these costs.

YECL-YEC - 43

Topic: **Administration Costs**

Reference: **Page 3-10 of the Application**

Preamble: **Yukon Electrical wishes to understand Administration costs of YEC.**

Requests:

(a) Please provide a list of the training and conferences that have been attended by staff from 2005-2009. Please provide the location of the training, conferences and business related travel and the costs associated with each. Also, please provide any documented benefits that have been implemented as a result of the training/conference attendance.

YECL-YEC - 44

Topic: **General Administration**

Reference: **page 3-12 line 10 through 27**

Preamble: **Yukon Electrical would like to better understand employee turn over**

Requests:

(a) In the positions described from line 10 to 27 on pages 3-12 please indicate the turnover in each position since 2005 and the reasons for the turnover.

(b) Please indicate, when each position was filled, and if the individual was hired locally or recruited from outside the Yukon. If the latter, please identify the moving costs associated with attracting such employees.

YECL-YEC - 45

Topic: **General**

Reference: **Page 3-10 Table 3.9**

Preamble: **Yukon Electrical would like to better understand the costs imbedded in General**

Requests:

(a) Please describe in detail the type of activities that take place in this account and the cost associated with each activity

(b) Please detail the job classes that would charge time into this account. Indicate if the job class or position is in or out of scope.

YECL-YEC - 46

Topic: **General**

Reference:

Preamble: **Yukon Electrical is interested in understanding the steps YEC has taken to ensure productivity and efficiency of its organization.**

Requests:

(a) Please provide a listing of the initiatives demonstrating cost savings that YEC has under taken toward increasing productivity and where such productivity gains can be found in the application.

YECL-YEC - 47

Topic: **Safety**

Reference: **Page 3-11 lines 18~24 of application**

Preamble: **Safety expenses have had significant fluctuations since 2005, increases of 42% in 2006, increases of 145% in 2007, decreases of 127% based on 2008 proposed and a forecast of a 174.5% increase for 2009. As per table 3.9 page 3-10 Yukon Electrical wishes to understand the variances in this activity**

Requests:

(a) Please provide variance explanations year over year from 2005 to 2009 for the safety account.

(b) Please provide the detailed components and benefits associated with the additional $100,000 requested in 2009 for process documentation.

(c) Please provide a copy of the most recent audit conducted by a third party or external source which verifies that YEC's safety program meets all legislative, regulatory and industry standards for an electrical utility. Please include all recommendations of the audit.

YECL-YEC - 48

Topic: **Safety/Training**

Reference: **page 3 – 11, lines 18 through 23**

Preamble: **Footnote 6, suggests procedures be in place and workers be trained to perform jobs safely. Table 3.9 Training**

Requests:

(a) Please provide the types of training identified and number of employees requiring the training along with the associated costs of each training activity.

(b) Please provide details as to what facility employees will receive trade related training at, specific to each job class identified.

(c) Please provide the average cost per employee for the required training.

YECL-YEC - 49

Topic: **Safety / legal requirements**

Reference: **YEC state that an additional 100K is required in 2009 to document YEC's safety procedures with specific reference to the legal requirements of the Yukon Occupational Health and Safety Act Sections 3(1)(b), 3(1)(c) and 7(d)**

Preamble: **Yukon Electrical would like to better understand to what safety standard YEC is operating under.**

Requests:

(a) Since the Occupational and Safety Act has been in effect since December of 1992, what documented procedural tools has YEC used to date, and are currently using, to meet the legal requirements of the Act?

(b) To what industry standard are the newly documented safety procedures written?

(c) Are these increased costs for safety / training at YEC related to Certificate of Recognition (COR) certification requirements. If so what are the specific costs of COR certification that are included in this current GRA application?

(d) Please confirm if YEC is COR certified. If COR certification is not in place, please confirm when YEC anticipates COR certification will be completed.

(e) What process does YEC currently use to ensure employees who work in safety sensitive positions are adequately trained and qualified?

(f) Is the safety training for YEC employees available locally? Specifically where and by whom is the training provided.

(g) Please provide the number of medical aid and lost time incidents experienced by YEC for each of the years 1997 to present. Please include the number of days lost per year

YECL-YEC - 50

Topic: **Diesel Generation**

Reference: **Introduction Page 2-12**

Preamble: **Yukon Electrical wishes to better understand the way in which diesel will be consumed in the test period.**

Requests:

(a) Please provide the monthly load duration curves for 2008 and 2009.

(b) Please overlay hydro supply levels on the above curves.

(c) Please provide the same curves with and without Secondary Sales.

(d) Please provide a diesel unit availability chart for each unit.

(e) In the 20 year Resource plan page 9 it mentions that the Mirrlees rebuilds will ADD capacity to the WAF grid. Were these units removed from rate base and from the WAF grid? Please provide the technical feasibility study done on the Mirrlees referred to in the 20 year Resource Plan on page 9.

YECL-YEC - 51

Topic: **Fuel Costs**

Reference: **Page 3-4, Table 3.2, Page 3-5, lines 1-11**

Preamble:

Requests:

(a) Please provide complete details of fuel expense by plant. Include details of sales, station service, litres of fuel used, average costs and fuel expense.

(b) Please provide the heat rate at each stand by plant YEC operates and confirm how these heat rates are calculated.

(c) Please provide the details on any initiative that YEC has taken to improve heat rates (lines 3 & 4 Page 3-5 speak of improved efficiency).

YECL-YEC - 52

Topic: **Property, Plant & Equipment**

Reference: **Page 7-5 & Page 9-18**

Preamble: **Yukon Electrical wishes to understand differences between the application versus what is in the audited financial statements.**

Requests:

(a) Please reconcile the cost of PP&E values stated on page 7-5 line 5 with the audited financial statements on page 9-18 for the year 2007.

YECL-YEC - 53

Topic: Brushing

Reference: Page 3-8 Lines 2 through 8

Preamble: Yukon Electrical is interested in understanding the fluctuations from year to year in the brushing program at YEC, 105% increase from 2006 to 2007 actuals and 47% increase from 2008 to 2009 proposed expenditures.

Requests:

(a) Please explain in detail what is meant by a "Stage increase in brushing activity, which is a periodic and cyclical requirement in the Yukon".

(b) Please provide the details of YEC's transmission and distribution brushing programs, including copies of policies and practices regarding same.

YECL-YEC - 54

Topic: **Fleet**

Reference: **Page 5-15 & 5-16 Lines 26 to 31 & 1 to 17 respectively**

Preamble: **Yukon Electrical would like to better understand YEC's fleet requirements and inventory.**

Requests:

(a) Please provide a comprehensive listing of all fleet and transportation equipment currently owned by YEC, please include all terrain vehicles and trailers.

(b) Please provide a listing of all fleet equipment leased or rented by YEC.

(c) Please provide copies of the tendering documents YEC use when purchasing fleet equipment.

(d) Please provide the standards and design YEC has developed for the purchase of new service trucks with service bodies.

(e) Please provide the business case for the purchase of the bucket truck in 2008 as well as the detailed specification of the truck to be purchased.

(f) Please provide the business case for the purchase of the "Off Road Maintenance Vehicle" to be purchased in 2009 as well as the detailed specification of the unit to be purchased. Please provide the details on the annual lease costs for the current Nodwell supplied by Arctic Power.