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YUKON UTILITIES BOARD
EXHIBIT C2-6
ENTERED BY Whse
DATE Mar 27/09

Refer to: T.D. Marriott
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Your File#:
Our File#: 71310-0010

March 27, 2009

Yukon Utilities Board
P. O. Box 31728
Whitehorse, Yukon, Canada
Y1A 6L3

**Attention: Ms. Deanna Lemke, Executive Secretary**

Dear Ms. Lemke:

**Re: YEC Phase I - Board Memo To All Parties circulated March 25, 2009**
**YECL and UCG Requests for Further Information**

The City of Whitehorse (CW) is replying to the above referenced memo and, in particular, to the requests made by Yukon Electrical Company Limited (YECL) and the Utility Consumers' Group (UCG) for further information from Yukon Energy (YEC). CW considers that the burden of proof rests on the Applicant in any regulatory proceeding. CW notes that the requests of YECL and UCG appear to be reasonable, in general, not unreasonable and YEC has not made any claims of confidentiality.

CW considers that the oral hearing process will not be efficient if available information can only be obtained from the Applicant through undertakings. Therefore, where the requested information is available and the information can be provided with reasonable effort, YEC should provide it. CW submits that the Board should order YEC to provide the requested information unless YEC can demonstrate to the satisfaction of the Board that the information is not available or that the requested information would not be helpful in determining Phase I revenue requirements.

Concerning YEC's response to the information requests posed, CW notes that two of its interrogatories were not responded to in a complete manner.

**CW-YEC-1-2 a)**

YEC was requested in a) to provide a full explanation and demonstration of the statistical forecasting methods used by YEC to forecast energy sales and/or MWh sales per customer in Tables 2.3 and 2.4.

The response directs CW to the response provided in LE-YEC-1-7(a). With respect, the LE response does not provide the requested "demonstration" of the statistical forecasting methods used by YEC to forecast energy sales and/or MWh sales per customer in Tables 2.3 and 2.4. CW notes that YECL provided very in depth and helpful statistical data and information in its 2008/09 Phase 1 GRA which clearly demonstrated its forecasting methods. CW submits that YEC should provide similarly detailed data and information in this matter.

**CW-YEC-1-27 b) & c)**

YEC was requested in b) to provide the sources of funds obtained by its parent, the Yukon Development Corporation (YDC). YEC responded that "YDC has earnings from interest, investments and dividends (typically interest and dividends from YEC)." CW does not believe that the answer is complete. The dividends and interest arising from YEC's operations simply cannot be the sole source of funds for the parent YDC. Given the evidence filed by YECL in its Phase I proceeding regarding its relationship and source of funding from its parent and the parent corporation of the parent corporation, CW expects the same detail of information as to the source, cost of debt and prospective cost of debt as filed by YECL.

With respect to part c), YEC was asked: "Does Yukon Development guarantee the debt of Yukon Energy?" The answer is not responsive as to the guarantees that stand behind the debt instruments issued by the Applicant.

CW notes that Decision 2009-1, Appendix B lists issue 8 ii Cost of debt as High in importance. Without full disclosure as to the funding of YEC, CW submits that YEC has not fulfilled its obligation to assure the Board that the 60% proportion of debt capital financing its rate base has been prudently incurred. CW considers that, if the information concerning YDC's financing of its subsidiary is disclosed prior to the hearing, its participation in this process will be more efficient.

CW believes that most of the additional information that has been requested, including the information requested above, can be provided in a timely manner.

Yours truly,

BROWNLEE LLP
PER:

for: THOMAS D. MARRIOTT