Appendix A to Board Order 2019-07
Reasons for Decision

The Yukon Utilities Board (Board) has considered the requests of the Utilities Consumers' Group (UCG) for further and better IR responses. The Board reviewed the record in relation to the IRs in question, the responses provided to date by the Yukon Energy Corporation (YEC), and the submissions of UCG and YEC relating to the responses. In making its decision on the UCG motion, the Board considered the nature of the current proceeding, the materiality and potential impacts to parties of further IR responses, and the Board's Rules of Practice. This second compliance filing to YEC's 2017-18 GRA is to test compliance to the matters directed by the Board in Board Order 2019-04.

In arriving at the following determinations, the Board balanced the level of detail requested in some of the IRs, whether the IRs were relevant to the proceeding, and whether the IR responses could be provided in a timely manner.

UCG-YEC-1-1: UCG requested YEC to provide similar tables for 1981 to 2015 and 1983 to 2018 for average annual thermal generation showing the load levels split into two columns such that actual mine load is isolated in its own separate column. In its motion, UCG stated that the request in this case is to ensure that the most current information is provided and that a proper isolation of the mining load is made in order to support arguments to be made about how the impacts of mining loads should be addressed by the Low Water Reserve Fund (LWRF) mechanism. YEC stated that the requested information is outside the scope of the current proceeding. In its response, YEC stated that the referenced information was initially provided in YEC's June 2017 Application and it does not reference any specific mine load isolated into its own column. YEC added that it is not feasible to differentiate average loads by water year between customer classes for purposes of the referenced table. UCG replied that for the October 8, 2019, technical session, YEC was able to provide a table on page 5 in its technical session notes with a column at 450 GW.h that included new mine load.

The Board has reviewed the table on page 5 of the YEC notes for the technical session and is of the view that the table is meant to be illustrative and does not separate mine load for that period. Further, the Board accepts the YEC submission that that it is not feasible to differentiate average loads by water year between customer classes for the purpose of the referenced table. However, the Board is of the view that it would be of assistance to interveners and the Board for YEC to update the table on page 5 to include the years 2016 to 2018 inclusive. Therefore, the Board directs YEC to provide an update of the table on page 5 of the YEC notes to include the years 2016 to 2018 inclusive.

UCG-YEC-1-6: UCG requested details of actual generation by source by month for 2018 actuals and 2019 year to date and details on how actual water levels in 2018 and 2019 to date have affected actual levels of thermal generation in 2018 and 2019. In its motion, UCG submitted that the actual generation and water levels experienced in 2018 and 2019 to date will provide a more accurate reflection of YEC's current operations and will better support alternative positions that can be put forward regarding YEC's proposed LWRF operation. YEC stated that the requested information was outside the scope of the current proceeding and that the first compliance filing in February of 2019 provided 2018 preliminary actuals for the year for total generation and for thermal generation, and the October 8, 2019, technical session reviewed actual results for 2018 relative to GRA forecasts and LTA hydro. In its response, YEC restated that the October 8, 2019 technical session reviewed actual results for 2018 relative to GRA forecasts and LTA hydro.

Generally, the Board accepts the YEC submission that 2019 is outside the scope of this proceeding. However, it is unclear to the Board that YEC has provided actual generation by source for 2018 — more specifically, actual generation that is not limited by GRA forecast or LTA hydro. The Board considers that this information would be helpful to the Board and interveners and therefore directs YEC to provide the requested information, by month, for 2018.

UCG-YEC-1-9: UCG requested YEC to confirm that the revenue requirement and the sales/revenues at existing rates for 2017 and 2018 provided in its second compliance filing represented actuals for both of those years and, if not, to provide the actuals for 2017 and 2018. UCG noted that Board Order 2018-10 directed YEC to use actual values for 2017 and the Board approved a forecast amount for 2018. In response, YEC submitted that its first compliance filing addressed this issue and that Table 1.1 from that first compliance filing did not change in the second compliance filing. UCG replied that the requested information is relevant given that actual results will directly impact what will be included in the true-up rider.

Upon reviewing UCG's reasons included in the request, the Board notes that the 2018 rates are based on forecast amounts and that actual results will not impact YEC's compliance or the approved forecast rates. Therefore, no further response is required.

UCG-YEC-1-12(c): UCG requested YEC to provide a table (Table 2.1-2) in its second compliance filing showing the actual LWRF balance in January 2018 and YEC's current estimates of the actual operations of the LWRF between 2018 and 2022. YEC responded that Table 2.1-2 was only provided as an illustrative example and was not intended to reflect forecasts for future year conditions that might reasonably be expected. YEC added that it has provided all required LWRF information for 2018. The added information requested by UCG for years beyond 2018 is not feasible to provide, and in any event is beyond the scope of

this proceeding. UCG replied that the detail requested allows for a more comprehensive analysis of YEC's proposed LWRF operation.

The Board agrees with the submission of YEC that 2018 information has been provided and that any information beyond 2018 is beyond the scope of this proceeding. Therefore, no further response is required.

UCG-YEC-1-12(d): UCG requested YEC to provide versions of a table submitted in its second compliance filing related to LWRF determinations that change the fixed change factor to four other levels. UCG stated it required the information to allow it to develop argument related to YEC's position that the term-sheet approach is more accurate in addressing updated LTA thermal generation. YEC responded that it has no basis to change the fixed change factor as requested given that the table is intended to reflect 2018 LWRF determinations based on currently available information. YEC added that UCG can perform the calculations and the additional information being requested by UCG has no value in assessing the issues referenced in its motion. UCG replied that it is not up to YEC to determine what positions interveners are allowed to put forward in their arguments but it is up to YEC to provide the data necessary to legitimately support the positions being advanced.

The Board notes the accuracy of the fixed change factor was discussed in the technical session of October 8, 2019. The Board also agrees with the submission of YEC that UCG can perform the requested calculations based on currently available data in order to support any argument it intends to submit to the Board. Therefore, no further response is required.

UCG-YEC-1-16(b): UCG requested YEC to provide an update of production costs by category in the table included in the compliance filing showing the actual breakdown of production costs for 2018. YEC responded that the Board provided its directions on revenue requirement and revenue issues for the 2017 and 2018 test years in Board Order 2018-10 and Board Order 2019-04 and YEC's second compliance filing addressed these directions. YEC added that UCG's motion in regard to this question does not address the points raised in YEC's responses, and therefore fails to provide any justification for requiring this information to assist the Board on the current issues regarding both the LWRF and the second compliance filing. UCG replied that the Board should not base its approval of YEC's proposed compliance filings solely on data that is significantly out of date. Even if the revenue requirement to be recovered will not change based on findings in this current proceeding, the Board is seeking parties' submissions on the practical application of YEC's proposed methods and recommendations on what other methodologies are valid.

It is the Board's view that this question does not test the compliance to the matters directed by the Board in Board Order 2019-04 but instead looks to retest production costs by category rather than testing compliance with the directions in Board orders 2018-10 and 2019-04. For this reason, no further response is required.

UCG-YEC-1-17: UCG requested YEC to provide an update of the transmission and distribution costs tables in its compliance filing showing the actual breakdown of these costs for 2018. YEC responded that the Board provided its directions on revenue requirement and revenue issues for the 2017 and 2018 test years in Board Order 2018-10 and Board Order 2019-04. Further, YEC stated that its second compliance filing addressed these directions and added that UCG's motion does not recognize the points raised in YEC's responses and fails to provide any justification for requiring this information to assist the Board. UCG replied that the Board should not base its approval of YEC's proposed compliance filings solely on data that is significantly out of date. UCG continued by stating that even if the revenue requirement to be recovered will not change based on findings in this current proceeding, the Board is seeking parties' submissions on the practical application of YEC's proposed methods and recommendations on what other methodologies are valid.

It is the Board's view that this question does not test the compliance to the matters directed by the Board in Board Order 2019-04. Specifically, this question does not directly relate to the LWRF issue currently before the Board but rather looks to retest transmission and distribution costs. Therefore, no further response is required.

UCG-YEC-1-18: UCG requested YEC to provide an update to the general operating and maintenance costs table included in the compliance filing, showing the actual breakdown of these costs for 2018. YEC responded that the Board provided its directions on revenue requirement and revenue issues for the 2017 and 2018 test years in Board Order 2018-10 and Board Order 2019-04 and its second compliance filing addressed these directions. YEC added that UCG's motion does not recognize the points raised in YEC's responses and fails to provide any justification for requiring this information to assist the Board. UCG replied that the Board should not base its approval of YEC's proposed compliance filings solely on data that is significantly out of date. Even if the revenue requirement to be recovered will not change based on findings in this current proceeding, the Board is seeking parties' submissions on the practical application of YEC's proposed methods and recommendations on what other methodologies are valid.

It is the Board's view that this question does not test the compliance to the matters directed by the Board in Board Order 2019-04. Specifically, this question does not directly relate to the LWRF issue currently before the Board but rather looks to retest general operating and maintenance costs. Therefore, no further response is required.

UCG-YEC-1-19: UCG requested YEC to provide an update to the administrative costs table included in the compliance filing showing the actual breakdown of these costs for 2018. YEC responded that the Board provided its directions on revenue requirement and revenue issues for the 2017 and 2018 test years in Board Order 2018-10 and Board Order 2019-04 and YEC's second compliance filing addressed these directions. YEC added that UCG's motion in regard to this question does not address the points raised in YEC's responses, and therefore fails to provide any justification for requiring this information to assist the Board on the current issues regarding the LWRF and the second compliance filing. UCG replied that the Board should not base its approval of YEC's proposed compliance filings solely on data that is significantly out of date. Even if the revenue requirement to be recovered will not change based on findings in this current proceeding, the Board is seeking parties' submissions on the practical application of YEC's proposed methods and recommendations on what other methodologies are valid.

It is the Board's view that this question does not test the compliance to the matters directed by the Board in Board Order 2019-04. Specifically, this question does not directly relate to the LWRF issue currently before the Board but rather looks to retest administrative costs. Therefore, no further response is required.