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Our File No.: 71310-0016

August 17, 2010

Yukon Utilities Board
Box 31728
Whitehorse, Yukon
Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

Dear Mr. McLennan:

Re: YEC/YECL 2009 Phase II Application – Intervener Evidence Interrogatories

Please see the attached Information Requests with respect to the evidence filed by John Maissan/Leading Edge, submitted on behalf of the City of Whitehorse.

Yours truly,
BROWNLEE LLP
PER:


KRISTJANA E. KELLGREN

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Enclosure

**Yukon Energy Corporation and Yukon Electrical Company Limited
2009 Phase II Application before the Yukon Utilities Board
Information Request No. 1 of the City of Whitehorse
to Leading Edge Projects Inc. (LE or Leading Edge)**

CW-LE-1

Issue: Price Signals

Reference: Evidence of Leading Edge Inc., page 1

Preamble: Leading Edge characterizes its rate proposals as follows:

Leading Edge Projects Inc. (Leading Edge) favours the objectives of the rate design Option A put forward by Yukon Energy Corporation (Yukon Energy) and The Yukon Electrical Company Ltd. (YECL) (together the Companies or the Utilities). However, it is our view that with the use of some adjustment to the proposed rates the same objectives would be better achieved. The objectives that Leading Edge would like to see achieved are as follows:

1. To send a significant rate signal to electric heat users and installers that this is not an appropriate use of electricity that is diesel generated on the margin in the winter (or year round);
2. To send a noticeable rate signal to a larger percentage of customers that results in them taking action on;
3. To minimize the impact on users whose consumption is modest;
and
4. To minimize the impact on residential non-government customers should the Yukon government choose to terminate the Interim Electrical Rebate (IER).

Request:

- a) Is there a difference between the objectives of Option A (as put forth in the Application) and Leading Edge's objectives? If there is a difference, please set out Leading Edge's understanding of the objectives of Option A in the same bulleted format as the objectives that Leading Edge would like to see achieved (as set out in the quote above).

- b) What are the actions that Leading Edge recommends customers take to promote energy conservation and efficiency?
- (A) Please provide the timeframe that LE estimates will be necessary for customers to implement these measures.
 - (B) Please discuss the costs to customers, or otherwise, of implementing these measures?
 - (C) Please discuss who will bear the costs associated with these measures? Does LE anticipate that funding or grant money will be provided to those who wish to implement these measures?
- c) Please quantify the net amount of energy that will be conserved in the Yukon as a result of LE's rate proposals.
- d) Would an effective DSM program be a more direct way to accomplish these objectives in customer behavior? Please explain.
- e) Please confirm that, in these proceedings, YEC prefers Option A to Option B and YECL has proposed rate Option B only.
- f) What are the objectives of rate Option B and how do they differ from the objectives of rate Option A? How do the objectives of rate Option B differ from the objectives of LE's preferred proposal?
- g) What is the difference between a "significant rate signal" and a "noticeable rate signal"? Please quantify.
- h) In describing Options A and B, the Companies have used the term "efficient price signals" (e.g. Application, page 2), "reasonable price signal" (e.g. Application, page 4) and "incremental price signal" (e.g. Application, page 1-12). Are these terms synonymous with LE's significant and noticeable rate signals? If not, please discuss the differences.
- i) With regard to LE's perceived appropriateness of the "use of electricity that is diesel generated on the margin in the winter (or year-round)", there are many heating applications of electricity such as space heating, vehicle block heaters, hot water heaters, electric stoves, etc.
- (A) Please list all such heating applications known to LE.
 - (B) According to LE, are all of the listed uses inappropriate uses of electricity that is diesel generated on the margin or year round?
 - (C) If the answer in (B) is negative, please specify which heating applications are appropriate on the margin or year round. Please explain fully.

- j) For each heating application listed in the response to i)(A) above, please provide a list of heating alternatives available to the Yukon consumer. For each alternative, please discuss the cost to the customer of converting to this alternative, the customer's ability to employ these alternatives and the environmental consequences of employing these alternatives.
- k) CW-YEC/YECL-1-7(d) and CW-YEC/YECL-1-24(a) state that secondary sales are priced as a substitute for heating oil. Does Leading Edge consider the use of secondary or surplus electricity to be an inappropriate use of electricity? Please explain fully.
- l) Leading Edge's evidence implies that heating is an inappropriate use of electricity at any time of the year (even when diesel generation is not on the margin). Please explain why heating using renewable energy sources is inappropriate.
- m) Are there further examples of an inappropriate use of electricity not involving heating when diesel is generated on the margin in the winter (or year round), such as computers used for social networking, air conditioning, etc.? Please explain fully. Please discuss how Leading Edge would curtail the use of electricity for these other inappropriate purposes.
- n) Please discuss what detriment customers will experience if the status quo is maintained with respect to the current rate structure until the relevant OICs expire (in 2012).

CW-LE-2

Issue: LE Proposed Rates

Reference: Evidence of Leading Edge Inc., page 2

Preamble: Leading Edge provides the following bill analysis:

Table 1 Comparison of Option A and Leading Edge's Preferred Proposal on the bills of Residential Non-Government customers

Description of Option	Monthly bill increases (+) or decreases (-)			
	Monthly use 750kWh	Monthly use 1250kWh	Monthly use 2000kWh	Monthly use 3000kWh
Option A with IER	-11.19%	-4.74%	+20.38%	+39.98%
Leading Edge with IER	-10.16%	-2.48%	+17.38%	+31.32%
Option A no IER	+12.98%	+14.77%	+31.95%	+47.49%
Leading Edge no IER	+14.01%	+14.78%	+28.97%	+38.83%

Request:

- a) Please provide the detailed calculations for Table 1.
- b) To what specific rate does this analysis apply (i.e. Rate 1160, 1260, 1360 or 1460) or is it composed of a weighted average of all Non-Government rates?
- c) Please provide the same information in Table 1 for each Residential rate (i.e. Rate 1160, 1260, 1360 and 1460).
- d) Will LE's proposed bill reductions, as compared to those current rates for customers within the first rate block (assuming that the IER continues), incent those customers to consume more energy? Please quantify the increased energy that will be consumed by all customers in this rate block receiving a rate reduction.

CW-LE-3

Issue: General Service and Industrial Rates

Reference: Evidence of Leading Edge Inc., page 1 and Attachment, page 2

Preamble: Leading Edge states:

Table 1 below presents a comparison of the impact on residential non-government bills of the Utilities' Option A rate proposal and Leading Edge's preferred proposal (page 2 of the attachment). We believe that a similar approach across all rate classes is appropriate.

Request:

- a) Please confirm that Leading Edge's proposals, as set out on page 2 of the attachment, pertain only to rate design for the Residential rate class.
- b) Does Leading Edge believe that the objectives of Option A, as set out above, should apply to General Service and Industrial customers as a matter of equity and fairness or are there other reasons that Leading Edge's approach should be applied across all rate classes? Please explain fully.
- c) Do General Service and Industrial customers have other heating applications for electricity? If so, please list them. Does LE consider all of these to be inappropriate uses of electricity on the margin or year round?

- d) For each heating application, please provide a list of heating alternatives available to the Yukon General Service and Industrial consumer. For each alternative, please discuss the cost to the customer of converting to this alternative, the customers' ability to employ these alternatives and the environmental consequences of employing the alternative.
- e) Would a "significant rate signal", similar to Leading Edge's proposal for residential customers, lead to changes in consumption patterns for General Service and Industrial customers? If yes, please quantify the expected change in consumption.
- f) What changes would Leading Edge propose to General Service and Industrial Rates to apply the same approach to these rate classes.
- g) What ability do General Service and Industrial customers have to respond to the price signals as proposed by Leading Edge?
- h) Would an effective DSM program be applicable to General Service and Industrial customers as well as residential customers?

CW-LE-4

Issue: General Service and Industrial Rates

Reference: Evidence of Leading Edge Inc., page 1

Preamble: Leading Edge states:

We believe that a similar approach across all rate classes is appropriate.

Request:

- a) LE states that it believes that "a similar approach across all rate classes is appropriate." Please provide details of this approach.
- b) Please explain how OIC 2008/149 would factor into this approach.