Yukon Energy Corporation (YEC) and The Yukon Electrical Company Ltd. (YECL) Rider F – Fuel Adjustment Rider & Deferred Fuel Price Variance Policy

Information Requests of YEC & YECL
from
John Maissan, Leading Edge Projects Inc.

Submission

LE-YEC/YECL-1-1 Page 1: Please list the instances since 1988 when either YEC or YECL (or both) included in Rider F costs for diesel fuel when BOTH the fuel price per litre was in excess of the Yukon Utilities Board's (the Board) approved fuel cost AND the amount (kWh) of diesel generation was in excess of the most recent Board approved amount.

LE-YEC/YECL-1-2 Page 1: Please list all other Canadian regulated electrical utilities that are permitted to collect from ratepayers any portion of fuel costs in excess of their utility board approved costs for generation in excess of their utility board approved amounts.

LE-YEC/YECL-1-3 Page 1: Please explain how the Deferral Fuel Price Variance Account (DFPVA) would handle a situation where in the early part of a calendar year both the fuel price and the amount of diesel generation are in excess of the amounts approved by the Board and later in the year both the price and the amount are below the amounts approved by the Board.

LE-YEC/YECL-1-4 Page 1: Please explain how the Deferral Fuel Price Variance Account (DFPVA) would handle a situation where in the early part of a calendar year both the fuel price and the amount of diesel generation are in excess of the amounts approved by the Board and later in the year the hydro energy availability was above the long term average. What would be the impact on the Diesel Contingency Fund (DCF)?

LE-YEC/YECL-1-5 Page 1: Please explain in detail the transactions in the DFPVA and the DCF under the following conditions:

(a) Diesel fuel price and amount of diesel generation are at the Board approved levels with hydro availability either above or below the long term average approved by the Board (what is this amount?)?

(b) Diesel fuel price is at the Board approved price and diesel generation is below the Board approved amount with hydro availability either above or below the long term average approved by the Board?

(c) Diesel fuel price is at the Board approved price and diesel generation is above the Board approved amount with hydro availability either above or below the long term average approved by the Board?

(d) Diesel fuel price is above the Board approved price and diesel generation is below the Board approved amount with hydro availability either above or below the long term average approved by the Board?

(e) Diesel fuel price is above the Board approved price and diesel generation is above the Board approved amount, and hydro availability is either above or below the long term average approved by the Board?

LE-YEC/YECL-1-6 Page 1 (last paragraph): Would YEC please explain why in the 2008-2009 GRA Phase II proceeding YEC was critical of YECL and their Rider D application essentially accusing YECL of transferring the sales forecast risk onto ratepayers (revised Transcripts pages 587 to 592; Yukon Energy Final Argument pages 42 to 47; and Yukon Energy Reply Argument pages 16 to 18)?

LE-YEC/YECL-1-7 Page 1 (last paragraph): YEC at page 17 of their Final Argument of the Phase II proceeding states as follows: "YEC has not sought, and does not today have, any deferral account or special rate rider charged to all retail ratepayers in Yukon in order to protect YEC against added diesel generation costs arising from added industrial or YEC retail loads that exceed approved GRA forecasts." Would YEC please explain why it is now in fact seeking to recover a portion of their diesel generation costs from added industrial and / or retail loads in excess of the approved GRA forecast from all retail ratepayers?

LE-YEC/YECL-1-8 Page 4: Please clarify the reference to Section 4.0 in footnote 6.

LE-YEC/YECL-1-9 Pages 4-5: Please explain why YEC and YECL would aim to keep Rider F rates in effect for a year or more when the volatility of oil pricing is so extreme (as witnessed several times in recent years) that the balance in the DFPVA cannot possibly stay within the target amounts without much more timely adjustments?

LE-YEC/YECL-1-10 Page 5 Section 2.1.7 and Exhibit 1: Since November 2010 the DFPVA has been moving in a negative direction (and accelerated during winter) and was negative from February on yet a refund Rider F was in effect until June 2011. Please explain why YEC and YECL have not followed this proposed policy with respect to the current situation? Why were adjustments to Rider F not made sooner, i.e. in winter when electrical consumption was higher and diesel costs were being incurred?

LE-YEC/YECL-1-11 Page 6: Do the responsible YEC and YECL staff only assess the DFPVA trend quarterly or do they assess it monthly? Why would YEC and YECL give the YUB 30 days notice before implementing a revised Rider F when the DFPVA is outside the target range of + /- $200,000?

LE-YEC/YECL-1-12 Exhibit 2: In tabular form for each of YEC and YECL for January 2010 to July 2011 inclusive please indicate by month how much of the fuel price variance charged to the DFPVA is for diesel generation in excess

	of the Board approved diesel generation forecast and diesel price in excess of the Board approved price.
LE-YEC/YECL-1-13	Do either YEC or YECL (or both) anticipate that 2011 will be a test year in a GRA? If not when do each of YEC and YECL anticipate filing a GRA so that diesel price and diesel generation forecasts can be reviewed by, and tested before, the Board?

Appendix A

LE-YEC/YECL-1-14	Page A-1: Section 1 of Appendix A provides nothing to indicate that costs for diesel fuel prices in excess of the Board approved amount for generation in excess of the Board approved amount was anticipated or specifically provided for; please explain why YEC and YECL should be entitled to recover these costs from ratepayers?
LE-YEC/YECL-1-15	Page A-1: I YEC and YECL interpret that they are entitled to recover costs for diesel fuel prices in excess of Board approved prices for diesel generation in excess of the Board approved forecast, does it then not logically follow that ratepayers should be entitled to a credit in the DFPVA when diesel fuel prices are below the Board approved prices for diesel generation in excess of the diesel generation approved by the Board? If not why not?
LE-YEC/YECL-1-16	When, if ever, have YEC or YECL specifically requested the Board approve for inclusion in the DFPVA the costs for diesel fuel when diesel prices and the amount of diesel generation were both in excess of the levels approved by the Board?
LE-YEC/YECL-1-17	Page A-3 Section **a** iii: In the second paragraph Board Order 1992-1 is quoted as saying "changes to the change [sic] in this Rider shall be implemented **coincident with changes in the Companies' costs of fuel** or at such times as practical" (emphasis added). Since changes in YEC's and YECL's costs for fuel were evident as early as November 2010, why did YEC and YECL not follow this Board Order and implement Rider F changes much sooner than July 2011?

Respectfully submitted,

August 16, 2011