

**IN THE MATTER OF the *Public Utilities Act*
Revised Statutes of Yukon, 2002, c. 186, as amended**

and

**A Complaint from the Utilities Consumers' Group (UCG)
Concerning Yukon Energy Corporation (YEC) and
Yukon Electrical Company Limited (YECL)
Diesel Costs for 2006 and 2007**

BEFORE: W. Shanks, Chair) September 3, 2008
 R. Laking, Vice-Chair)
 R. Hancock)
 J. Woodland)
 K. Avery)

BOARD ORDER 2008-8

WHEREAS:

- A. On March 3, 2008, UCG filed with the Yukon Utilities Board (Board) pursuant to section 44(c) of the *Public Utilities Act*, a complaint arising from the uncertainty that the burning of diesel fuel occurred during peak periods when secondary interruptible secondary services remained connected. The reasons for the complaint were given as:
1. There has not been a public review of the utilities' revenue requirements or costs for service for the years 2006 and 2007.
 2. Diesel is being used as energy on both WAF and Mayo-Dawson grids.
 3. Interruptible secondary power is being sold on both grids.
 4. There is uncertainty of YEC/YECL not following operational commitments they have outlined in rate schedules.

UCG requested the following information:

1. The quantity of diesel generation for each separate grid throughout the years 2006 and 2007.
 2. The dates, times and circumstances for using diesel power in each case.
 3. How each of the circumstances has been accounted for in the revenue requirement or Rider F.
- B. The Board set up a process where responses to the complaint were received from YECL on March 12, 2008 and from YEC on March 28, 2008. The Board forwarded those responses to UCG on April 14, 2008, and invited a reply from UCG by April 30, 2008. A reply was received from UCG on May 8, 2008, which was forwarded to YEC for final reply by May 30, 2008. A final reply was received from YEC on May 28, 2008.

- C. The Board has reviewed the complaint and the responses from YECL and YEC, the reply from UCG, and the final reply from YEC.
- D. The Board is satisfied, for the identified instances of diesel generation, with the responses from both YECL and YEC, that the information requested by UCG was adequately provided, that YECL and YEC were compliant with the provisions of Rate Schedule 32, and that the recording and application of costs for those diesel generation instances were treated consistently.

NOW THEREFORE the Board orders that:

YECL and YEC have adequately explained the appropriateness of diesel generation in the identified instances in 2006 and 2007 during peak periods when secondary sales customers remained connected. The Board is satisfied that the costs of diesel generation during those instances in question are treated consistently and therefore dismisses the UCG complaint.

DATED at the City of Whitehorse, in the Yukon Territory, this 3rd day of September 2008.

BY ORDER

A handwritten signature in black ink, appearing to read 'W. Shanks', written in a cursive style.

Wendy Shanks
Chair