

YUKON ENERGY CORPORATION
YEC Amended EPA
Utilities Consumers' Group
Information Requests No. 2

UCG-YEC-2-1

Reference:

Amended Atlin Hydro Expansion Project Page 12

The Project will also include upgrades as required to connect the THELP's Plant to the YIS (defined in the **Amended EPA** as "Buyer-AEY System" and "Buyer-AEY System Upgrades"). Final scoping for these upgrades (with planning level cost estimates) is to be included in the Buyer-AEY System Interconnection Study Report that is currently being concluded as part of the Interconnection Agreement between THELP, YEC and AEY.

Question:

1. Please provide this Interconnection Study Report .

UCG-YEC-2-2

Reference:

Amended Atlin Hydro Expansion Project Page Footnote

41 The \$6.45.3 million/year (2024\$) until the end of 2034 (and \$5.0 million thereafter) assumes 8.750 MW dependable capacity(\$1.756 million/year) plus 34.00.8 GWh/year winter delivered energy (\$4.63.7 million/year for years until the end of 2034 and \$3.3 million for the years thereafter as per Appendix A, Table A3-2). The Project is capable of providing 7.55.4 GWh/year during summer, but no summer deliveries are assumed to be required from the Project given the forecast surplus of summer renewable energy. If 7.55.4 GWh of summer energy was required from the Project, and YEC's approved blended fuel cost (2024\$) was \$0.19/kWh, the added cost would be \$0.75 million/year (price at 50% of the approved blended fuel cost).

Questions:

1. Please confirm the total capacity plus energy charge of \$6.385 Million/yr?
2. How much will the negotiations and regulatory costs add to the above costs/per year (for both YEC and ATCO)?
3. How much will be the added YEC costs for operations and maintenance per year?
4. Will there be added costs for any ATCO operations and maintenance, including billing? If yes, how much?
5. How much income will the sales of 34 Gwh./year generate.
6. Please confirm there will be no rate increase to firm ratepayers on the Yukon grid resulting from the Atlin Hydro Expansion Project. If you cannot confirm please explain.

UCG-YEC-2-3

Reference:

Amended Atlin Hydro Expansion Project , **YEC Response IR YUB 1-42**

(b)

The table below captures the costs incurred by YEC to date related to planning, analysis and negotiations for this EPA.

Contractor costs relate to system impact and operational 3 studies that YEC expects to recover from the seller. The remaining costs are related to EPA negotiations and are

expected to be recovered through rates.

These costs will increase as YEC will incur costs as part of finalization of Conditions Precedent under the EPA. YEC estimates approximately \$0.175million will be recoverable from THELP, subject to final reconciliation and invoicing. YEC is separately tracking the costs of this proceeding and will apply for recovery in accordance with YUB rules.

Expense Type

Legal 507,949

Consultants 311,056

Contractors 172,830

Internal Labour 18,867

AFUDC 10,150

Travel & Miscellaneous 5,311

Total 1,026,163

Questions:

1. Please update these costs, showing breakdown for each of these costs giving legal, consultant, and contractors' names and work done.
2. Update and explain work completed for: internal labour costs; AFDUC costs; and travel/miscellaneous costs.

UCG-YEC-2-4

Reference:

YEC Submission Re: Yukon Utilities Board Review of the

Electricity Purchase Agreement between YEC and THELP April/January 2022

Appendix B: Summary of Key EPA Terms and Conditions Page B-5

• Interconnection Agreement: Section 2.1(d)(i) of the ***Amended EPA Conditions Precedent*** specifies that, on or before ***May/January 31, 2022***, the three parties (Seller, Buyer and AEY) will have entered into the Interconnection Agreement. Section 2.1(d)(ii) of the ***Amended EPA Conditions Precedent*** specifies that, on or before ***May 31/February 15, 2022***, these same parties will have agreed on the budgeted costs for the AEY System Upgrades.

• Funding Plan: Section 2.1(d)(iii) of the ***Amended EPA Conditions Precedent*** specifies that:

1. On or before ***May 31, 2022***, Seller will have provided Buyer a detailed funding plan (the "Funding Plan") setting out Seller's sources of grant funding together with independent third party estimates of Seller's costs to develop Seller's Plant and Buyer-AEY System Upgrade Costs; and
2. On or before June 14, 2022, Buyer will have given Seller notice (based on the Funding Plan) that Buyer is satisfied, acting reasonably, as to the financial viability of Seller's Plant.

• Environmental Authorizations: Section 2.1(d)(iv) of the ***Amended EPA Conditions Precedent*** specifies that, on or before ***May 31, 2022***, Seller will have received satisfactory terms and conditions for the Clean Energy Development Plan authorizations for Seller's Plant located in British Columbia and for the YESAA Decision Documents for Seller's Plant located in Yukon.

• TRTFN Approval: Section 2.1(d)(vi) of the ***Amended EPA Conditions Precedent*** specifies that, on or before ***May 31, 2022***, Seller will have obtained approval of the ***Amended EPA*** by the TRTFN by way of Clan Directive or a Joint Clan Meeting Mandate.

• Yukon Government Approval: Section 2.1(d)(v) of the ***Amended EPA Conditions Precedent*** specifies that, on or before 215 days after ***the Execution Date (which is April 12/January 14, 2022 for the Amended EPA)***, Buyer will have received such approvals of this ***Amended EPA*** as may be required by Buyer to perform Buyer's

Questions:

1. For each of the five bullets above please identify and explain if each of these terms and conditions have now been met.
2. For Funding Plan please give details of Seller's sources and amounts of grant funding as well as the independent third party name and estimate of Seller's cost to develop plant and AEY system upgrade cost.