

**Yukon Energy Corporation
Low Water Reserve Fund (LWRF) Report and
Energy Reconciliation Adjustment (ERA)**

**Yukon Utilities Board (YUB) Information Request Round 1
to Yukon Energy Corporation (YEC)**

YEC-YUB-1-1

Reference: Application, PDF page 2, Footnote 1

Issue: Proportion of thermal energy deemed to be Liquid Natural Gas (LNG)

Quote: LNG is assumed to displace 90% of the expected long-term average thermal requirements, subject to not exceeding total thermal less estimated diesel at forecast load. Due to higher diesel generation in 2022, the LNG is expected to displace about 80% of LTA thermal.

Request:

- (a) Please confirm that the LTA generation at actual loads are in accordance with the LWRF term sheet last approved by the Board.
- (b) Please provide the LWRF term sheet reference that limits the assumed LNG proportion of thermal generation based on the expected (estimated) diesel generation at forecast load.

YEC-YUB-1-2

Reference: Application, PDF page 2, Footnote 2

Issue: Proportion of thermal energy deemed to be Liquid Natural Gas (LNG)

Quote: On a long-term basis LNG is assumed to displace 90% and diesel 10% of the expected long-term average thermal requirements, subject to not exceeding total thermal less estimated diesel at forecast load. The diesel generation for 2022 was higher than 10%, therefore, for 2022 the LNG assumed at 80% and diesel at 20% of LTA thermal. On this basis, the expected diesel generation is equal to the actual diesel generation.

Request:

- (a) Please explain how the LNG assumed at 80% was determined for 2022.
- (b) If the LNG assumption of 80% is from the LWRF term sheet, please provide the reference.

YEC-YUB-1-3

Reference: Application Attachments, PDF page 1, Table 1-1; Application, PDF page 2, Footnote 2

Issue: Calculations of thermal costs to LWRF

Request:

- (a) Please confirm that the actual amount for YEC grid load (line L2) is a metered total. If not confirmed, please explain what the amount refers to and how it was determined.
- (b) Please confirm that the actual amount for Fish Lake generation (line L3) is a metered total. If not confirmed, please explain what the amount refers to and how it was determined.
- (c) Please explain why YEC hydro (line L6) is not a metered amount.
- (d) Please confirm that the components of line L7 (diesel/LNG) are metered amounts. If not confirmed, then explain why the metered amounts are not used.
- (e) Please confirm that the components of line L7a (diesel/LNG) are metered amounts. If not confirmed, then explain why the metered amounts are not used.
- (f) For line L8, actual IPP deliveries to the grid are used. Please confirm that the IPP number represents deliveries to the grid. Provide the reference in the LWRF term sheet that accommodates for IPPs.
- (g) Lines L16a and L16b are the components for expected YEC thermal generation in rates. The diesel component (line L16a) is derived from the total expected YEC thermal generation in rates (line L16) and the LNG component (line L16b). Therefore, diesel is derived from LNG calculations. Footnote 2 to the Application notes that LNG totals are subject to not exceeding total thermal less estimated diesel at forecast load. Therefore, LNG totals are derived from diesel calculations. There appears to be an inconsistency in these statements. If there is an inconsistency between these statements, please explain the reasons for it.

YEC-YUB-1-4

Reference: Application, PDF page 2; Rate Schedule 42, Wholesale Primary (YEC) – Energy Reconciliation Adjustment (ERA)

Quote: The ERA in Rate Schedule 42 states:
Charges to YECL will be adjusted on a monthly basis to reconcile actual wholesale purchases to test year forecast purchases during the months when diesel generation in the Hydro zone is on the margin at long term average water flows. To the extent the actual wholesale purchases fall short or exceed forecast wholesale purchases, an adjustment to the YECL bills will be made at a rate equal to the Hydro zone incremental cost of diesel of 32.74 cents per kW.h as approved by the Board in Order 2010-13. Such adjustment for shortfalls will be limited to minus 10% of the forecast wholesale purchases in any period.

Request:

Please explain why monthly totals are not provided in determining ERA amounts.

YEC-YUB-1-5

Reference: Application, Excel Workbook, Sheet “Table 2-1 – ERA 2021”,
cell D2 calculation

Issue: Revenue impact

Request:

Please explain why the Fish Lake adjustment in the revenue calculation only includes the calculation from line C1 and not the calculation from line C2.