

YEC and YECL 2009 GRA Phase II

Intervenor Evidence of Leading Edge Projects Inc.

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 energy conservation and efficiency;
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).

As an example of the rate design approach that Leading Edge favours, four rate design models for residential non-government are attached. Page 1 of the attachment presents the relevant portion of the original model presented by the Utilities in their Application (but with all significant digits in the rates); the second page presents an option with adjustments to all three rate blocks – the approach that Leading Edge favours. Pages three and four are alternatives to achieving the same goals by adjusting only the first and third blocks or only the second and third blocks respectively.

Leading Edge believes that its preferred proposal better achieves its stated objectives by:

1. Still sending an adequately strong signal to high electricity users without imposing the higher rates proposed in Option A by the Utilities; Leading Edge believes its proposed rates are less punitive;
2. Sending a stronger signal to more of the “mid range” power consumers which, in our view, is necessary to begin to achieve significant energy savings through conservation and efficiency. In our view significant overall energy reductions cannot be achieved by a very small minority of customers; they can only be achieved by the active participation of a significant percentage of customers; and
3. Facilitating the reduction or elimination of the IER by minimizing the impact on modest energy users who are more likely to need this subsidy.

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.

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%

Yukon Energy Corporation & Yukon Electrical Company Limited - 2009 Phase II Application								
Schedule of Determinants on Proposed Rates								
Residential-Non Government								
2009								
	Number of		Block 1	Block 2	Block 3	Total		
	Customers	Demand	Energy	Energy	Energy	Energy		
Billing Determinants	Billed/year	kW	(kW.h)	(kW.h)	(kW.h)	(kW.h)		
YECL								
1160 NG - H	11,570		94,533,720	14,592,158	9,489,207	118,615,084		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
YEC								
1160 NG - H	1,443		9,179,779	884,575	839,605	10,903,958		
1260 NG - SD	0		0	0	0	0		
1360 NG - LD	0		0	0	0	0		
1460 NG - OC	0		0	0	0	0		
Total								
1160 NG - H	13,013		103,713,498	15,476,732	10,328,811	129,519,042		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
Residential-Non Government	14,128		110,750,140	16,235,095	10,652,391	137,637,626		
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	
	Charge	Charge	Energy Chg	Energy Chg	Energy Chg	Charge	Charge	
Proposed Rate	(\$/ cust/ mo.)	(\$ / kW/ mo.)	(¢ / kW.h)	(¢ / kW.h)	(¢ / kW.h)	(%)	(%)	
1160 NG - H	14.65		10.898210	15.220000	22.390130	0.000%	0.000%	
1260 NG - SD	14.65		10.898210	15.220000	22.390130	0.000%	0.000%	
1360 NG - LD	14.65		10.898210	15.220000	22.390130	0.000%	0.000%	
1460 NG - OC	14.65		10.898210	15.220000	49.232416	0.000%	0.000%	
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	Total
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Revenue - YECL								
1160 NG - H	2,033,953		10,302,483	2,220,926	2,124,646	0	0	16,682,009
1260 NG - SD	54,073		104,936	17,431	8,749	0	0	185,190
1360 NG - LD	119,948		578,673	82,568	61,744	0	0	842,933
1460 NG - OC	22,019		83,259	15,424	4,303	0	0	125,005
Revenue - YEC								
1160 NG - H	253,738		1,000,432	134,632	187,989	0	0	1,576,790
1260 NG - SD	0		0	0	0	0	0	0
1360 NG - LD	0		0	0	0	0	0	0
1460 NG - OC	0		0	0	0	0	0	0
Revenue - Sub Total								
1160 NG - H	2,287,691		11,302,915	2,355,559	2,312,634	0	0	18,258,799
1260 NG - SD	54,073		104,936	17,431	8,749	0	0	185,190
1360 NG - LD	119,948		578,673	82,568	61,744	0	0	842,933
1460 NG - OC	22,019		83,259	15,424	4,303	0	0	125,005
Revenue (\$)	2,483,732		12,069,783	2,470,981	2,387,430	0	0	19,411,927

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2009								
Billing Determinants	Number of Customers Billed/year	Demand kW	Block 1 Energy (kW.h)	Block 2 Energy (kW.h)	Block 3 Energy (kW.h)	Total Energy (kW.h)		
YECL								
1160 NG - H	11,570		94,533,720	14,592,158	9,489,207	118,615,084		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
YEC								
1160 NG - H	1,443		9,179,779	884,575	839,605	10,903,958		
1260 NG - SD	0		0	0	0	0		
1360 NG - LD	0		0	0	0	0		
1460 NG - OC	0		0	0	0	0		
Total								
1160 NG - H	13,013		103,713,498	15,476,732	10,328,811	129,519,042		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
Residential-Non Government	14,128		110,750,140	16,235,095	10,652,391	137,637,626		
	Customer Charge (\$/ cust/ mo.)	Demand Charge (\$ / kW/ mo.)	Block 1 Energy Chg (¢ / kW.h)	Block 2 Energy Chg (¢ / kW.h)	Block 3 Energy Chg (¢ / kW.h)	Rider J Charge (%)	Rider R Charge (%)	
1160 NG - H	14.65		11.014301	16.000000	20.000000	0.000%	0.000%	
1260 NG - SD	14.65		11.014301	16.000000	20.000000	0.000%	0.000%	
1360 NG - LD	14.65		11.014301	16.000000	20.000000	0.000%	0.000%	
1460 NG - OC	14.65		11.014301	16.000000	40.000000	0.000%	0.000%	
	Customer Revenue	Demand Revenue	Block 1 Energy Revenue	Block 2 Energy Revenue	Block 3 Energy Revenue	Rider J Charge Revenue	Rider R Charge Revenue	Total Rate Revenue
Revenue - YECL								
1160 NG - H	2,033,953		10,412,228	2,334,745	1,897,841	0	0	16,678,768
1260 NG - SD	54,073		106,054	18,324	7,815	0	0	186,267
1360 NG - LD	119,948		584,837	86,800	55,153	0	0	846,738
1460 NG - OC	22,019		84,146	16,214	3,496	0	0	125,875
Revenue - YEC								
1160 NG - H	253,738		1,011,088	141,532	167,921	0	0	1,574,279
1260 NG - SD	0		0	0	0	0	0	0
1360 NG - LD	0		0	0	0	0	0	0
1460 NG - OC	0		0	0	0	0	0	0
Revenue - Sub Total								
1160 NG - H	2,287,691		11,423,317	2,476,277	2,065,762	0	0	18,253,048
1260 NG - SD	54,073		106,054	18,324	7,815	0	0	186,267
1360 NG - LD	119,948		584,837	86,800	55,153	0	0	846,738
1460 NG - OC	22,019		84,146	16,214	3,496	0	0	125,875
Revenue (\$)	2,483,732		12,198,354	2,597,615	2,132,226	0	0	19,411,927

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	Customers	Demand	Energy	Energy	Energy	Energy		
Billing Determinants	Billed/year	kW	(kW.h)	(kW.h)	(kW.h)	(kW.h)		
YECL								
1160 NG - H	11,570		94,533,720	14,592,158	9,489,207	118,615,084		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
YEC								
1160 NG - H	1,443		9,179,779	884,575	839,605	10,903,958		
1260 NG - SD	0		0	0	0	0		
1360 NG - LD	0		0	0	0	0		
1460 NG - OC	0		0	0	0	0		
Total								
1160 NG - H	13,013		103,713,498	15,476,732	10,328,811	129,519,042		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
Residential-Non Government	14,128		110,750,140	16,235,095	10,652,391	137,637,626		
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	
	Charge	Charge	Energy Chg	Energy Chg	Energy Chg	Charge	Charge	
Proposed Rate	(\$/ cust/ mo.)	(\$ / kW/ mo.)	(¢ / kW.h)	(¢ / kW.h)	(¢ / kW.h)	(%)	(%)	
1160 NG - H	14.65		11.128643	15.220000	20.000000	0.000%	0.000%	
1260 NG - SD	14.65		11.128643	15.220000	20.000000	0.000%	0.000%	
1360 NG - LD	14.65		11.128643	15.220000	20.000000	0.000%	0.000%	
1460 NG - OC	14.65		11.128643	15.220000	40.000000	0.000%	0.000%	
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	Total
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Revenue - YECL								
1160 NG - H	2,033,953		10,520,320	2,220,926	1,897,841	0	0	16,673,041
1260 NG - SD	54,073		107,155	17,431	7,815	0	0	186,474
1360 NG - LD	119,948		590,908	82,568	55,153	0	0	848,577
1460 NG - OC	22,019		85,019	15,424	3,496	0	0	125,958
Revenue - YEC								
1160 NG - H	253,738		1,021,585	134,632	167,921	0	0	1,577,876
1260 NG - SD	0		0	0	0	0	0	0
1360 NG - LD	0		0	0	0	0	0	0
1460 NG - OC	0		0	0	0	0	0	0
Revenue - Sub Total								
1160 NG - H	2,287,691		11,541,905	2,355,559	2,065,762	0	0	18,250,917
1260 NG - SD	54,073		107,155	17,431	7,815	0	0	186,474
1360 NG - LD	119,948		590,908	82,568	55,153	0	0	848,577
1460 NG - OC	22,019		85,019	15,424	3,496	0	0	125,958
Revenue (\$)	2,483,732		12,324,988	2,470,981	2,132,226	0	0	19,411,927

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	Customers	Demand	Energy	Energy	Energy	Energy		
Billing Determinants	Billed/year	kW	(kW.h)	(kW.h)	(kW.h)	(kW.h)		
YECL								
1160 NG - H	11,570		94,533,720	14,592,158	9,489,207	118,615,084		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
YEC								
1160 NG - H	1,443		9,179,779	884,575	839,605	10,903,958		
1260 NG - SD	0		0	0	0	0		
1360 NG - LD	0		0	0	0	0		
1460 NG - OC	0		0	0	0	0		
Total								
1160 NG - H	13,013		103,713,498	15,476,732	10,328,811	129,519,042		
1260 NG - SD	308		962,877	114,525	39,077	1,116,479		
1360 NG - LD	682		5,309,797	542,499	275,763	6,128,058		
1460 NG - OC	125		763,968	101,340	8,740	874,048		
Residential-Non Government	14,128		110,750,140	16,235,095	10,652,391	137,637,626		
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	
	Charge	Charge	Energy Chg	Energy Chg	Energy Chg	Charge	Charge	
Proposed Rate	(\$/ cust/ mo.)	(\$ / kW/ mo.)	(¢ / kW.h)	(¢ / kW.h)	(¢ / kW.h)	(%)	(%)	
1160 NG - H	14.65		10.898210	16.791928	20.000000	0.000%	0.000%	
1260 NG - SD	14.65		10.898210	16.791928	20.000000	0.000%	0.000%	
1360 NG - LD	14.65		10.898210	16.791928	20.000000	0.000%	0.000%	
1460 NG - OC	14.65		10.898210	16.791928	40.000000	0.000%	0.000%	
	Customer	Demand	Block 1	Block 2	Block 3	Rider J	Rider R	Total
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Rate
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
Revenue - YECL								
1160 NG - H	2,033,953		10,302,483	2,450,305	1,897,841	0	0	16,684,583
1260 NG - SD	54,073		104,936	19,231	7,815	0	0	186,056
1360 NG - LD	119,948		578,673	91,096	55,153	0	0	844,870
1460 NG - OC	22,019		83,259	17,017	3,496	0	0	125,791
Revenue - YEC								
1160 NG - H	253,738		1,000,432	148,537	167,921	0	0	1,570,628
1260 NG - SD	0		0	0	0	0	0	0
1360 NG - LD	0		0	0	0	0	0	0
1460 NG - OC	0		0	0	0	0	0	0
Revenue - Sub Total								
1160 NG - H	2,287,691		11,302,915	2,598,842	2,065,762	0	0	18,255,210
1260 NG - SD	54,073		104,936	19,231	7,815	0	0	186,056
1360 NG - LD	119,948		578,673	91,096	55,153	0	0	844,870
1460 NG - OC	22,019		83,259	17,017	3,496	0	0	125,791
Revenue (\$)	2,483,732		12,069,783	2,726,185	2,132,226	0	0	19,411,927