

July 19, 2017

Mr. Robert Laking, Chair
Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Mr. Laking:

Re: Rate Change – Rider F - Fuel Adjustment Rider

On February 1, 2016, ATCO Electric Yukon and Yukon Energy Corporation (the "Companies") notified the Board and interested parties of a change in the Diesel Fuel Price Variance Rider ("Rider F") from a refund of 0.487 cents per kWh to a refund of 0.560 cents per kWh.

Pursuant to the Rider F Policy, if the Companies' Diesel Fuel Price Variance Account ("DFPVA") is fluctuating over a broad range, the Companies must refine the forecast to reflect changing economic conditions to arrive at a new Rider F rate.

Since February, 2016 fuel prices have increased. In addition, "Fuel Price in Rates" has been adjusted for ATCO Electric Yukon as a result of its recent 2016/2017 General Rate Application. The Companies have determined that the Rider F rate is required to change from a refund of 0.560 cents per kWh to a refund of 0.011 cents per kWh, effective August 1, 2017.

The Companies have enclosed an Excel spreadsheet to provide further detail regarding this rate change.

We trust that if the Board or any interested party has questions regarding this Rider F rate change, they will contact one of the undersigned.

Sincerely,

ATCO ELECTRIC YUKON



Elizabeth Rogers, CMA
Manager, North of 60 Accounting
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YUKON ENERGY CORPORATION



Ed Mollard
Chief Financial Officer
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THE YUKON ELECTRICAL COMPANY LIMITED
An **ATCO** Company

**YUKON
ENERGY**



Effective: 2017 08 01
Supersedes: 2016 02 01

RIDER F
FUEL ADJUSTMENT RIDER

- AVAILABLE:** To all electric service throughout the Yukon Territory.
- APPLICABLE:** To all classes of service.
- RATE:** Service will be rendered at the applicable rates with the following surcharge/(refund) to cover changes in the unit cost of fuel.
- A refund of 0.011 ¢ per kW.h will be applied to all kWh consumed.
- NOTE:** The change in this Rider will change in accordance with changes in the Companies' fuel costs calculated on a unit basis by reference to kW/h sales. Such changes to the change in this Rider shall be implemented coincident with changes in the Companies' costs of fuel or at such time as is practical.
- Rider F does not apply to Rate Schedule 32 Secondary Energy.
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**ATCO Electric Yukon
Yukon Energy Corporation
Rider F Calculation**

(Implementation Date in CIS = August 1, 2017)

ATCO Electric Yukon

	Fuel Price in Rates	Forecast Fuel Price	Forecast Litres	Monthly Variance	Balance
Due From (To) Customers - as at June 30, 2017					(318,998)
Jul-17	<i>Estimated Net DFPV & Collections</i>				167,515
Aug-17	92.44	91.22	368,761	(4,525)	
Sep-17	93.98	92.13	393,332	(7,285)	
Oct-17	93.97	92.64	498,053	(6,590)	
Nov-17	93.85	92.65	528,633	(6,376)	
Dec-17	93.28	92.19	691,348	(7,524)	
Jan-18	94.69	93.03	656,313	(10,900)	
Feb-18	94.06	92.67	537,523	(7,479)	
Mar-18	95.49	93.92	539,113	(8,462)	
Apr-18	96.78	94.93	476,702	(8,807)	
May-18	95.26	93.84	431,896	(6,169)	
Jun-18	94.19	92.61	377,731	(5,979)	
Jul-18	96.24	94.47	<u>398,870</u>	<u>(7,037)</u>	
Subtotal			5,898,275	(87,133)	<u>(87,133)</u>
AEY Shortfall (Over-collection)					<u>(238,615)</u>

Yukon Energy Corporation

	Fuel Price in Rates	Forecast Fuel Price	Forecast Litres	Monthly Variance	Secondary Sales Variance	Balance
Due From (To) Customers - as at June 30, 2017						20,511
Jul-17	<i>Estimated Net DFPV & Collections</i>					(5,836)
Aug-17	107.63	84.93	172,683	(39,199)	8,881	
Sep-17	107.63	84.93	11,657	(2,646)	13,595	
Oct-17	107.63	84.93	11,657	(2,646)	23,313	
Nov-17	107.63	84.93	11,657	(2,646)	26,036	
Dec-17	107.63	84.93	17,695	(4,017)	25,167	
Jan-18	107.63	84.93	1,091	(248)	26,241	
Feb-18	107.63	84.93	6,323	(1,435)	21,691	
Mar-18	107.63	84.93	3,824	(868)	19,775	
Apr-18	107.63	84.93	115	(26)	22,313	
May-18	107.63	84.93	691	(157)	21,840	
Jun-18	107.63	84.93	11,657	(2,646)	18,237	
Jul-18	107.63	84.93	<u>11,657</u>	<u>(2,646)</u>	<u>13,657</u>	
Subtotal			260,706	(59,180)	240,744	<u>181,564</u>
YEC Shortfall (Over-collection)						<u>196,239</u>

Combined YEC/AEY Shortfall (Over-collection)

(42,376)

Forecast Retail Sales (kWh) | August 1, 2017 - July 31, 2018

AEY	322,330,992
YEC - Retail	39,150,742
YEC - Industrial	38,219,093
Total	<u>399,700,827</u>

Rider F Rate (¢/kWh) to recover/(refund) forecast shortfall by July 31, 2017 **(0.011)**

Previous Rider F (¢/kWh) (as at February 1, 2016) (0.560)

Rate increase (decrease) 0.549

Rider F - Fuel Adjustment Rider Continuity Schedule
Diesel Fuel Price Variances and Rider F Surcharges

	YEC				ATCO Electric Yukon				Combined Company Balances						
	Fuel Price Variance	RS 32 SS Adjustment	Rider F Industrial Surcharge - CIS	Rider F Surcharge - CIS	Inter- company Transfer	Balance	Fuel Price Variance	Rider F Surcharge - CIS	Inter- company Transfer	GRA True-Up Adjustment	Balance	Fuel Price Variance	RS 32 - SS Adjustment	Rider F Surcharge	Cumulative Balance
Dec-15	16,899	(6,640)	(8,632)	(17,755)	25,541	(3,332)	204,511	(146,267)	(25,541)	672,387	221,409	(6,640)	(172,654)	669,056	42,115
Jan-16	3,450	(7,262)	(7,857)	(17,577)	25,407	(7,171)	66,495	(174,876)	(25,407)	538,601	69,945	(7,262)	(200,310)	531,430	(137,626)
Feb-16	1,154	(7,604)	(20,744)	(15,841)	38,072	(12,134)	82,950	(151,615)	(38,072)	431,864	84,104	(7,604)	(188,200)	419,730	(111,700)
Mar-16	1,677	(8,675)	(18,330)	(17,661)	38,691	(16,432)	85,891	(159,617)	(38,691)	319,447	87,568	(8,675)	(195,607)	303,015	(116,715)
Apr-16	1,452	(12,365)	(17,071)	(16,765)	37,067	(24,115)	69,715	(150,630)	(37,067)	201,465	71,167	(12,365)	(184,467)	177,351	(125,664)
May-16	8,942	(8,467)	(28,672)	(14,199)	45,958	(20,553)	45,112	(122,265)	(45,958)	78,354	54,054	(8,467)	(165,136)	57,801	(119,549)
Jun-16	3,445	(9,479)	(26,696)	(16,319)	46,582	(23,020)	18,681	(121,869)	(46,582)	(71,416)	22,126	(9,479)	(164,884)	(94,436)	(152,237)
Jul-16	29,564	(7,825)	(17,499)	(17,460)	33,564	(2,676)	19,199	(120,777)	(33,564)	(206,558)	48,762	(7,825)	(155,736)	(209,234)	(114,798)
Aug-16	7,094	(12,202)	(17,358)	(17,472)	33,919	(8,695)	29,279	(113,194)	(33,919)	(324,391)	36,373	(12,202)	(148,024)	(333,087)	(123,853)
Sep-16	36,097	(6,667)	(23,591)	(20,734)	37,795	14,204	20,300	(124,481)	(37,795)	(466,366)	56,397	(6,667)	(168,805)	(452,162)	(119,075)
Oct-16	2,654	(3,256)	(20,604)	(19,175)	35,275	9,099	2,394	(134,937)	(35,275)	(634,185)	5,048	(3,256)	(174,715)	(625,086)	(172,924)
Nov-16	2,943	(20,305)	(19,239)	(19,438)	34,539	(12,401)	17,766	(152,284)	(34,539)	(803,242)	20,709	(20,305)	(190,961)	(815,643)	(190,557)
Dec-16	53,694	(23,934)	(14,465)	(19,921)	19,027	2,000	11,049	(175,390)	(19,027)	(986,611)	64,743	(23,934)	(209,776)	(984,610)	(168,967)
Jan-17	36,518	(7,082)	(22,767)	(23,956)	27,739	12,451	12,225	(215,995)	(27,739)	(1,218,121)	48,743	(7,082)	(262,719)	(1,205,669)	(221,059)
Feb-17	26,965	(18,322)	(18,957)	(20,531)	18,138	(255)	8,619	(188,880)	(18,138)	(1,416,520)	35,584	(18,322)	(228,368)	(1,416,774)	(211,105)
Mar-17	46,447	(1,005)	(21,591)	(20,316)	13,657	16,938	26,552	(197,986)	(13,657)	(1,601,610)	73,000	(1,005)	(239,893)	(1,584,673)	(167,899)
Apr-17	871	(18,118)	(16,417)	(18,244)	19,231	(15,740)	(30,445)	(161,672)	(19,231)	(1,812,958)	(29,575)	(18,118)	(196,333)	(1,828,699)	(244,026)
May-17	4,595	(20,359)	(21,121)	(16,484)	54,688	(14,421)	5,070	(136,622)	(54,688)	(1,999,198)	9,665	(20,359)	(174,227)	(2,013,619)	(184,921)
GRA True-up Rider Adjustment for 2016						(14,421)				1,658,998				(354,621)	1,658,998
GRA True-up Rider Adjustment for Jan-Jun 2017						(14,421)				823,275				468,654	823,275
Jun-17	7,463	(16,007)	(18,346)	(16,972)	37,771	(20,511)	9,663	(135,970)	(37,771)	483,075	17,127	(16,007)	(171,287)	298,486	(170,168)