



The Yukon Electrical Company Limited
An **ATCO** Company

July 18, 2014

Yukon Utilities Board
Box 31728
Whitehorse, YT Y1A 6L3

Attention: Mr. Bruce McLennan
Board Chairman

Dear Sir:

**RE: The Yukon Electrical Company Limited (“Yukon Electrical”)
Recalculation of Rider R for the Period August 1, 2014 to December 31, 2014**

As directed in Board Order 2014-09, Yukon Electrical has recalculated the 2013/2014 Rate Adjustment Rider, Rider R, to be in effect for consumption from August 1, 2014 to December 31, 2014. The calculations for the modified rate are being filed in this acknowledgement filing as directed by the Board.

2013/2014 Rate Adjustment Rider, Rider R

The differences between the forecast revenue on existing rates and the revised 2013/2014 Revenue Requirements (as approved in Board Order 2014-09) have resulted in revenue shortfalls of \$2,169,000 in 2013 and \$3,662,000 in 2014. After adjusting for Rider R and Rider F (Fuel Adjustment Rider) revenue collections and transfers from 2013 and 2014, the revenue shortfall to be collected from customers is calculated to be \$1,436,000. Please refer to Revised Schedule 12.1 for the detailed calculations.

Yukon Electrical proposes to collect the \$1,436,000 revenue shortfall by introducing a 2013/14 Revenue Shortfall/Surplus Rider, Rider R, of 6.10%. Rider R would be applied to all retail customer bills, excluding Secondary Energy Rate 32 and Wholesale Rates 42 and 43, for consumption beginning August 1, 2014 and ending December 31, 2014. This replaces the 6.5% Interim Rate Adjustment Rider.

The impact of Rider R on customer costs has been calculated. An average monthly sale of 800 kWh has been used for a sample hydro, non-government residential customer, and 1000 kWh and 5 kW demand for a sample hydro, non-government commercial customer. Dollar amounts reported include all riders and taxes. The results are shown in the following table:

PROPOSED AUGUST 1, 2014 RATES VS. CURRENT JULY 1, 2014 RATES

| Customer Group | Cost Increase/(Decrease) | % Increase/(Decrease) |
|---|---------------------------------|------------------------------|
| Residential using 800 kWh/month | (\$0.47) | (0.4%) |
| Commercial using 1000 kWh at 5 kW/month | (\$0.58) | (0.3%) |

Rider F

Please note that in recalculating Rider R, Yukon Electrical discovered a formula error in Schedule 12.3 of the compliance filing. The error does not impact the revenue shortfall calculations for 2013 and 2014; it simply affects the amount being transferred from Rider F to Rider R on lines 9 and 21 of Revised Schedule 12.1. As a result of the correction of this error, the amounts being transferred from Rider F to Rider R, as recalculated on Revised Schedule 12.3, have been updated to \$787,000 for 2013 and (\$289,000) for 2014.

Should you have any questions with respect to the enclosed, please contact the undersigned at (780) 733-2489.

Yours truly,

Original Signed by:

James Grattan, CA
Director, Regulatory



RIDER R
YECL RATE ADJUSTMENT RIDER

- AVAILABLE:** To all electric service throughout the Yukon Territory.
- APPLICABLE:** To all classes of service except Rate Schedule 32, Rate Schedule 42 and Rate Schedule 43.
- RATE:** A surcharge of 6.10% applicable to base rates.



THE YUKON ELECTRICAL COMPANY LIMITED
An **ATCO** Company

YUKON
ENERGY



Effective: 2015 01 01
Supersedes: 2014 08 01

RIDER R

YECL RATE ADJUSTMENT RIDER

- AVAILABLE:** To all electric service throughout the Yukon Territory.
- APPLICABLE:** To all classes of service except Rate Schedule 32, Rate Schedule 42 and Rate Schedule 43.
- RATE:** A surcharge of 7.20% applicable to base rates.

The Yukon Electrical Company Limited
Determination of the Rate Adjustment Rider R
Effective August 1, 2014 - December 31, 2014
(\$000's)

Revised Schedule 12.1

| Line No. | Description | Reference | Calculation |
|----------|--|--------------------|----------------------------|
| 1 | 2013 Component (A) | | |
| 2 | 2013 Retail Revenue Requirement | S2.1 L.51 | 49,812 |
| 3 | 2013 Retail Revenue on Existing Rates | S2.1 L.51 | 47,642 |
| 4 | Revenue Shortfall/(Surplus) (\$000s) | (2) - (3) | <u>2,169</u> |
| 5 | 2013 Rider R Collections ⁽¹⁾ | | |
| 6 | YECL Jul-Dec 2013 Actual Rider R Collections | | 1,332 |
| 7 | YEC Jul-Dec 2013 Actual Rider R Collections | | 302 |
| 8 | Total 2013 Rider Collections | (6)+(7) | <u>1,634</u> |
| 9 | 2013 Rider F Collections Transfer | Revised S12.3 L.14 | 787 |
| 10 | Net 2013 Revenue Shortfall/(Surplus) | (4) - (8) - (9) | (252) |
| 11 | 2014 Component (B) | | |
| 12 | 2014 Retail Revenue Requirement | S2.1 L.51 | 53,473 |
| 13 | 2014 Retail Revenue on Existing Rates | S2.1 L.51 | 49,811 |
| 14 | Revenue Shortfall/(Surplus) | (12) - (13) | <u>3,662</u> |
| 15 | 2014 Rider R Collections ⁽¹⁾ | | |
| 16 | YECL Jan 1 - Jun 30, 2014 Actual Rider R Collections | | 1,668 |
| 17 | YEC Jan 1 - Jun 30, 2014 Actual Rider R Collections | | 317 |
| 18 | YECL Jul 1 - Jul 31 2014 Forecast Rider R Collections | | 229 |
| 19 | YEC Jul 1 - Jul 31, 2014 Forecast Rider R Collections | | 49 |
| 20 | Total 2014 Rider Collections | sum (16-19) | <u>2,262</u> |
| 21 | 2014 Rider F Collections Transfer | Revised S12.3 L.23 | (289) |
| 22 | Net 2014 Revenue Shortfall/(Surplus) | (14)-(20)-(36) | 1,688 |
| 23 | Total 2013 and 2014 Net Revenue Shortfall (A)+(B) | (10)+(22) | 1,436 |
| 24 | Primary Sales Revenues for Period Which Shortfall is to be Collected/Refunded | | |
| 25 | YECL: Aug 1/14 - Dec 31/14 | | 19,608 |
| 26 | YEC: Aug 1/14 - Dec 31/14 | | 3,940 |
| 27 | Total Primary Sales Revenues | (25)+(26) | <u>23,548</u> |
| 28 | 2013/2014 Rate Adjustment Rider R effective August 1, 2014 | (23)/(27)*100 | <u><u>6.10%</u></u> |

⁽¹⁾ 6.5% Rider R per Board Order 2013-05

The Yukon Electrical Company Limited
Rider F 2013-2015 (Receivable from) / Payable to Customers Actual History
January 1, 2013 - July 31, 2014
(\$000's)

Revised Schedule 12.3

| Line No. | Month | Opening Balance (A) | Fuel Variance ⁽¹⁾ Original (B) | Fuel Variance ⁽²⁾ Revised (C) | Actual Rider F Collection (D) | Actual Transfer from YEC (E) | Collections Transferred to Rider R (F) | Closing Balance (G) |
|----------|--------------|------------------------|---|--|-------------------------------------|------------------------------------|---|---------------------------|
| 1 | Dec-12 | | | | | | | (2) |
| 2 | Jan-13 \$ | (2) | \$ (96) | \$ 17 | \$ 72 | \$ (0) | \$ (89) | (2) |
| 3 | Feb-13 \$ | (2) | \$ (101) | \$ 0 | \$ 57 | \$ (1) | \$ (56) | (2) |
| 4 | Mar-13 \$ | (2) | \$ (91) | \$ (2) | \$ 55 | \$ 43 | \$ (96) | (2) |
| 5 | Apr-13 \$ | (2) | \$ (87) | \$ 14 | \$ 56 | \$ 14 | \$ (84) | (2) |
| 6 | May-13 \$ | (2) | \$ (70) | \$ 13 | \$ 45 | \$ 12 | \$ (70) | (2) |
| 7 | Jun-13 \$ | (2) | \$ (57) | \$ 15 | \$ 43 | \$ 11 | \$ (69) | (2) |
| 8 | Jul-13 \$ | (2) | \$ (56) | \$ 11 | \$ 41 | \$ 12 | \$ (64) | (2) |
| 9 | Aug-13 \$ | (2) | \$ (54) | \$ 42 | \$ 41 | \$ 12 | \$ (95) | (2) |
| 10 | Sep-13 \$ | (2) | \$ (81) | \$ (0) | \$ 39 | \$ 11 | \$ (50) | (2) |
| 11 | Oct-13 \$ | (2) | \$ (89) | \$ (7) | \$ 44 | \$ 11 | \$ (48) | (2) |
| 12 | Nov-13 \$ | (2) | \$ (109) | \$ (18) | \$ 49 | \$ 10 | \$ (42) | (2) |
| 13 | Dec-13 \$ | (2) | \$ (161) | \$ (46) | \$ 58 | \$ 12 | \$ (24) | (2) |
| 14 | | | \$ (1,054) | \$ 40 | \$ 602 | \$ 146 | \$ (787) | |
| 15 | | | | | | | | |
| 16 | Jan-14 \$ | (2) | \$ (173) | \$ (61) | \$ 41 | \$ 11 | \$ 9 | (2) |
| 17 | Feb-14 \$ | (2) | \$ (181) | \$ (80) | \$ (0) | \$ (6) | \$ 86 | (2) |
| 18 | Mar-14 \$ | (2) | \$ (170) | \$ (71) | \$ (0) | \$ (0) | \$ 71 | (2) |
| 19 | Apr-14 \$ | (2) | \$ (156) | \$ (64) | \$ 0 | \$ (0) | \$ 64 | (2) |
| 20 | May-14 \$ | (2) | \$ (110) | \$ (41) | \$ (0) | \$ (0) | \$ 41 | (2) |
| 21 | Jun-14 \$ | (2) | \$ (108) | \$ (41) | \$ (0) | \$ (0) | \$ 41 | (2) |
| 22 | Jul-14(3) \$ | (2) | \$ (113) | \$ 23 | \$ - | \$ - | \$ (23) | (2) |
| 23 | | | \$ (1,011) | \$ (335) | \$ 41 | \$ 5 | \$ 289 | |

Notes:

- (1) Using 08/09 GRA fuel prices and heat rates
- (2) Using 13-15 GRA fuel prices and heat rates
- (3) Projected using GRA assumptions