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**IN THE MATTER OF THE ATCO ELECTRIC YUKON 2016-2017 GENERAL RATE
APPLICATION**

Heard before the

YUKON UTILITIES BOARD

November 1 - 3, 2016

REPLY ARGUMENT OF JOHN MAISSAN

Reply Argument introductory comments

In the preparation of this reply argument all Final Arguments submitted were read and examined. While there are some specific comments provided below, I have not been persuaded that any of the positions I put forward in my Final Argument should be changed. I continue to believe that the positions and recommendations I put forward to the Yukon Utilities Board (the Board) in my Final Argument merit serious consideration by the Board.

I do not have any comments to provide with respect to the City of Whitehorse Final Argument.

Matters not addressed in this Reply Argument are those for which I have no further information to provide to the Board to assist them in making final determinations. My silence on issues and requests of ATCO Electric Yukon (AEY) in this Reply Argument are not to be interpreted as agreement with, or disagreement with, AEY's request or position. I leave these matters to the Board to address based on all the information on the record.

Utilities Consumers Group Final Argument

1. The Utilities Consumers Group (UCG) has, in their Final Argument suggested that various capital projects should be reviewed by the Board under Part 3 of the Public Utilities Act. Where I have argued for reviews by the Board, or other courses of action by the Board, I would say that I would be satisfied by a Part 3 review under the Act if the Board is inclined to accept that argument.

Yukon Conservation Society Final Argument

2. My views on the Watson Lake bi-fuel project are generally aligned with those of the Yukon Conservation Society (YCS). Should the Board be inclined to accept recommendations of YCS on this matter I would say that I would also be satisfied.

3. My views with respect to AEY's proposed capital projects in diesel served communities and their negative effect on renewable energy projects are also in alignment.

Yukon Energy Corporation Final Argument

3. Yukon Energy Corporation (YEC) argues for AEY's request for an ROE of 8.75% and suggests that a risk premium of 48.5 basis points rather than 60 basis points is appropriate. YEC also appears to support an equity thickness of 40%. I do not support these positions. For the reasons put forward in my Final Argument I believe that no risk premium in addition to the 8.75% ROE is appropriate if an equity thickness of 40% is approved by the Board.

ATCO Electric Yukon Final Argument

4. As discussed in 3 above, I do not consider that a risk premium should be added to the ROE of 8.75% on an equity thickness of 40%. If the YUB considers that the BCUC GCOC rate of 8.75% plus a risk premium is appropriate on an equity thickness of 40% is appropriate all things considered, I recommend that the cost of Concentric Energy Advisors be disallowed from AEY's costs.

Respectfully submitted,

John Maissan
December 15, 2016