

# YUKON UTILITIES CONSUMERS' GROUP (UCG)

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## ATCO Electric Yukon (AEY) and Yukon Energy Corporation (YEC) Application to Update Terms and Conditions(T&Cs) February,2025

### Final Argument from the Yukon Utilities Consumers' Group (UCG)

Submitted June 12, 2025

1. The Yukon Utilities Consumers' Group (UCG) urges the Board to mandate ATCO Electric Yukon (AEY) and Yukon Energy Corporation (YEC) to update their Terms and Conditions (T&Cs) every two or three years. Or possibly with every General Rate Application, if this would not place a burden on the amount of information to process during a GRA. This measure aims to prevent long delays, such as the one since 2011, which have resulted in retroactive costs to ratepayers already burdened by rising energy prices. Regular updates are essential to ensure utility frameworks remain aligned with evolving economic and technological realities, avoiding undue financial strain on Yukon households.
2. The utilities state: *"The changes in the T&Cs, MILs and Fees and Service Charges have been requested to be implemented and applied as of the effective date of the Board Order arising from this proceeding. However, any impacts to the Utilities' revenue requirements will be reflected in their next respective General Rate Applications filed after the approval date."*<sup>1</sup> Here, the utilities proposed implementing the T&Cs, Maximum Investment Levels (MILs), and service fees effective from the date of the Board's order. UCG recommends that any cost changes resulting from this process should only take effect in the subsequent GRA revenue requirements to avoid creating a financial windfall for the utilities in non-test years.
3. Regarding increased cost charges, UCG highlights that the utilities relied on internal management input rather than formal studies to justify these changes, most of which are labor-based.<sup>2</sup> Given that labor costs were already accounted

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<sup>1</sup> AEY-YEC-UCG-002

<sup>2</sup> AEY-YEC-YUB-003

for in the last GRA, UCG suggests this is further reason for deferring cost adjustments until the next GRA.

4. For the Rights and Obligations of Customers,<sup>3</sup> the Utilities modernized the T&Cs to clarify the rights and obligations of customers without obtaining direct customer input. The updates were based on historical interactions and regulatory requirements. UCG maintains that this is unacceptable to reference the rights and obligations of its customers without first having some type of consultation arrangement with their ratepayers.
5. The utilities justified MIL percentage allocations stating that “*determining an appropriate level of customer portion used common principles such ensuring a proper price signal, intergenerational equity and the utility’s right to earn a fair return.*”<sup>4</sup> The utilities however failed to consult with customers to aid in the determination of price signals.<sup>5</sup> UCG recommends that the Board instruct the utilities to track new MIL contracts while gathering ratepayer feedback on suitability and affordability. UCG also asserts that regardless of how MIL costs are distributed, utilities will still earn a fair return.
6. Implementing all requested changes simultaneously, as proposed by the utilities, would result in substantial ratepayer cost increases, exacerbating financial stress. Therefore, UCG strongly advocates delaying cost charge implementations until a full GRA review is conducted. Additionally, the utilities must be required to consult with ratepayers regarding the affordability of collection fees, overdue payment charges, dishonored payment fees, and connection/disconnection fees, with tracking mechanisms in place for transparency.
7. UCG further emphasizes that transparency and clarity within the T&Cs (i.e. increasing collection fees, overdue payment, dishonoured payment fees, disconnect and connect fees, billing history fees) are crucial for fostering trust and accountability between utilities and ratepayers. It is vital to ensure that customers are not left in the dark about the specifics of charges or processes affecting their accounts without their input. For instance, UCG suggests incorporating mechanisms that allow customers to easily access their billing histories/customer usage requests free of charge through specified online platforms, promoting convenience while eliminating unnecessary fees. These measures would enhance customer engagement and enable a more seamless interaction with utility services.
8. Under Section 7 of the T&Cs, UCG insists that meters should not be estimated for more than one consecutive month (and only then on extreme conditions) to maintain bill stability and ensure the accurate application of Yukon’s interim

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<sup>3</sup> AEY-YEC-YUB-003

<sup>4</sup> AEY-YEC-UCG-2

<sup>5</sup> AEY-YEC-YUB-036

electrical rebate program. UCG submits that the utilities have labour costs imbedded in the revenue requirements to account for meter readers which should be honoured.

9. Furthermore, adding Advanced Metering Infrastructure (AMI) information to the T&Cs is premature, as the necessary infrastructure for remote or electronic meter reading is not yet in place.<sup>6</sup>
10. UCG also calls for an internal study on the impact of harmonic and inharmonic distortions on power efficiency, as these noise waves affect power quality and delivery.<sup>7</sup> This study should give some recommendations on how the utilities will modify their delivery of electricity to remedy these distortions. Research demonstrates that power companies use noise on the sine waves to make all appliances use more power than they need to run.<sup>8</sup>
11. The proposed charges for connection and reconnection (\$45 per hour and \$11 per 15-minute intervals)<sup>9</sup> are deemed acceptable by UCG, provided they are explicitly detailed in the T&Cs. Each step of the process must be documented with time allocations to ensure transparency and fairness. If implemented, this approach would render the chart in AEY-YEC-YUB-011 unnecessary, as customer charges would be clearly itemized.
12. Regarding overdue charges,<sup>10</sup> UCG suggests that it should be stated in the Terms & Conditions that the utility must first notify the customer with a distinctively coloured bill that their account is overdue. This will allow the customer time to address the issue or inform the utility of their situation and negotiate a resolution. Additionally, when a visit is required to collect an overdue account, additional charges will be applied as specified in YUB-014 (b) and billed with those amounts clearly shown. These steps and charges should also be outlined and safeguarded in the Terms & Conditions.
13. The utilities state: *“NSF charges are outlined in the preauthorized payment form when customers sign up for autopay.”*<sup>11</sup> UCG suggests that the autopay agreement should clearly specify NSF charge amounts and present this in bold print in the document. These changes should be added to the T&Cs Appendix 2-blackline, PDF p. 63 Fees and Charges for Supplementary Services.
14. The utilities acknowledge that AEY relied on management and staff expertise to determine new fees for meter disputes without a formal study. UCG recognizes the need for certain tasks to start and implement a meter dispute but disagrees with automatically billing customers before evaluating the meter. If a customer

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<sup>6</sup> AEY-YEC-YUB-011 (d) and AEY-YEC-YUB-008(e)

<sup>7</sup> AEY-YEC-YUB-009

<sup>8</sup> Wikipedia, Electric power quality

<sup>9</sup> AEY-YEC-YUB-010 c. and d.

<sup>10</sup> AEY-YEC-YUB-014

<sup>11</sup> AEY-YEC-YUB-

requests a meter change due to disputed readings, the transaction should occur without charge to prove there is no meter problem. The responsibility should be on the utility, as meters can become faulty over time. This should only be denied if the customer has a history of complaints.

15. In the T&C Application, the utilities request to add CPI for Whitehorse to reflect inflation in MILs and Fees & Service Charges annually when a rate case is not in front of the Board. UCG also notes that the utilities have not proposed updates to the T&Cs since 2011.<sup>12</sup>
16. UCG submits that the utilities be denied the opportunity to apply yearly CPI inflation rates to their T&C charges during non-test years. This would encourage them to use the regulatory process for any desired changes.
17. In this IR, the utilities were also asked to identify business efficiencies, such as the installation of AMI meters. UCG acknowledges the adaptation to this newer technology but notes that the necessary infrastructure to read these new meters has not yet been implemented. It is noted that this proposal may lead to significant costs for the ratepayer.
18. In this same IR, the utilities write: *“The Utilities work with customers daily to ensure customer needs are being met. The currently approved T&Cs continued to provide guidance in achieving this objective. This is demonstrated by the minimal changes being sought to the T&Cs in this application.”*<sup>13</sup> UCG highlights the substantial increase in charges for MIL costs and fees/service charges, noting examples such as an increase from \$1,500 to \$10,337—a 590 percent rise for single-family dwellings; from \$725 to \$2,645—a 265 percent rise for multiple dwellings; from \$690 to \$1,801—a 161 percent rise for general service; and from \$1,240 to \$6,649—a 440 percent rise for street lighting. Additionally, the customer’s allocation for these infrastructure costs is considered significant.
19. The same holds true for Fees and Services charge increases. These are proposed to increase by CPI inflation rates for the last 12 years accumulated.<sup>14</sup> This is onerous to the customer and should not be considered trivial by the utilities.
20. The utilities propose reducing the infrastructure cost-sharing period from 10 to 5 years.<sup>15</sup> UCG argues against this, asserting that five years is too short and could be exploited by some customers, leaving others with the entire bill.

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<sup>12</sup> AEY-YEC-YUB-015

<sup>13</sup> Ibid

<sup>14</sup> AEY-YEC-UCG 014

<sup>15</sup> AEY-YEC-YUB- 028

To conclude,UCG strongly recommends extensive consumer consultation in future applications to ensure that ratepayers have a clear understanding of proposed changes and their implications. Such consultations would allow for a balanced approach, considering both the utilities' financial requirements and the public's ability to cope with rising costs. This dialogue could include workshops, surveys, and public input through the utilities web page or Facebook to gather feedback and build consensus on contentious issues like MIL allocations and service charges.