

**YUKON UTILITIES BOARD**

**IN THE MATTER OF** the *Public Utilities Act*, R.S.Y. 2002, c. 186;

**AND IN THE MATTER OF** the ATCO Electric Yukon and Yukon Energy Corporation 2024-  
2025 Terms and Conditions of Service Application

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**FINAL ARGUMENT OF ATCO ELECTRIC YUKON AND THE  
YUKON ENERGY CORPORATION**

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## I. INTRODUCTION

1. ATCO Electric Yukon ("AEY") and the Yukon Energy Corporation ("YEC" and, together with AEY, the "**Utilities**") are before the Yukon Utilities Board ("**Board**") seeking approval of their joint application ("**Application**") for Terms and Conditions of Service ("**T&Cs**"), filed on December 20, 2024, including an update to the Maximum Investment Levels ("**MILs**") and to the Fees and Service Charge Summary ("**Fees Schedule**"). The Utilities have prepared and filed a comprehensive Application and seek the following approvals in order to continue to provide safe, reliable and cost-effective service to their customers:

- (a) Approval of the proposed updates to the Utilities' T&Cs as detailed in Section 2 of the Application and including the additional changes proposed in the Utilities' IR responses;<sup>1</sup>
- (b) Approval of updated MILs, including approval of an inflation mechanism for future years, as detailed in Section 3 of the Application;
- (c) Approval of the proposed updates to the Fees Schedule, as detailed in Section 4 of the Application;
- (d) Approval to annually inflate the MILs and the fees and service charges set out in the Fees Schedule using the inflation index of CPI for Whitehorse, Yukon, in years when a joint Phase II application or application seeking approval of new or updated T&Cs or MILs is not in front of the Board; and
- (e) Such further and other relief as the Board may determine is appropriate.

2. In support of the above requests, the Utilities provided significant evidence on the record of this proceeding both in the Application, including in a comprehensive MIL Study, and in their written responses to two rounds of information requests ("**IRs**"). The Utilities' evidence is the only evidence before the Board with respect to the Application. No Interveners filed evidence, such that the Utilities' evidence is uncontroverted other than testing by Interveners through the IR process.

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<sup>1</sup> [AEY-YEC Responses to the YUB \(Round 1\)](#), AEY-YEC-YUB-017(b), PDF 38, AEY-YEC-YUB-018(a), PDF 39, AEY-YEC-YUB-033(b), PDF 64 [Round 1 Responses to YUB]; [AEY-YEC Responses to John Maissan \(Round 1\)](#), AEY-YEC-JM-007(b), PDF 14, AEY-YEC-JM-008(a), PDF 15 [Round 1 Responses to Mr. Maissan].

The Utilities' evidence is thorough, credible, and reliable, and the Utilities respectfully submits that it should be afforded significant weight by the Board and that any positions and recommendations advanced by Interveners in argument should be weighed accordingly given that they are not supported by any evidence on the record of this proceeding.

3. The Utilities' argument focuses upon matters that attracted the greatest attention from the Board and Interveners in the IR process. In the Utilities' submission, any aspects of the Application not specifically addressed herein are adequately supported in the evidentiary record.

## **II. DEVELOPMENT OF THE APPLICATION**

### **A. Purpose of Proposed Updates**

4. The Application was developed jointly by the Utilities in response to a March 2023 direction by the Board.<sup>2</sup> The scope of the Application is limited to a review of the T&Cs, including the MILs and the Fees Schedule.<sup>3</sup>

5. As detailed in the Application and in the Utilities' IR responses, the proposed updates to the T&Cs are focused on modernizing and clarifying the provisions applicable to utility service based on current developments in the Yukon's electricity system and the practical experience of the Utilities' staff working on matters governed by the T&Cs. In some instances, the T&Cs have been updated to incorporate processes that are already taking place between the Utilities and customers, such as the inclusion of information requirements for new Generating Customers, to ensure that the T&Cs are clear and transparent with respect to utility processes.<sup>4</sup> Other updates have been made to address challenges that the Utilities have been experiencing when providing services and with respect to maintaining grid stability.<sup>5</sup>

6. A number of changes have also been made proactively to ensure that the Utilities and customers are equipped to address new situations that are taking place, or are anticipated to take place in the future, related to the energy transition. The Utilities submit that, as discussed in their IR responses, additional process and clear guidance will be required to ensure that the electrical

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<sup>2</sup> [ATCO Electric Yukon and Yukon Energy Corporation Terms and Conditions of Service application Dec. 20, 2024](#), para 1, PDF 3 [Application].

<sup>3</sup> Application, para 1, PDF 3.

<sup>4</sup> Round 1 Responses to YUB, AEY-YEC-YUB-003(a-b), PDF 5-6; [AEY-YEC Responses to UCG \(Round 1\)](#), AEY-YEC-UCG-005, PDF 6 [Round 1 Responses to UCG].

<sup>5</sup> Round 1 Responses to YUB, AEY-YEC-YUB-003(a-b), PDF 6.

system can adapt to changes associated with the energy transition, such as distribution energy resources or significant load changes associated with electric vehicles (“EVs”).<sup>6</sup> A proactive approach to the energy transition, including clear and transparent guidance for customers associated with that transition, is in the public interest.

7. The Application includes a comprehensive MIL Study, prepared by AEY staff with feedback from YEC, included in the T&Cs as Schedule B.<sup>7</sup> The current MILs were established over 10 years ago and, as demonstrated by the MIL Study, they no longer appropriately reflect installation costs and should be updated as proposed in the Application.<sup>8</sup>

8. The Utilities are also proposing updates to the Fees Schedule included in the T&Cs in order to reflect more accurate, up-to-date costs for services as well as changes in services provided by the Utilities, such as the consideration of meter read costs for Non-standard and Standard (AMI) meters, discussed further below.

## **B. Consideration of Stakeholder Interests**

9. As noted in the Utilities' IR responses, the T&Cs are intended to provide guidance to both the Utilities and their customers regarding their roles and responsibilities related to electricity service so that service can be provided in a safe and reliable manner.<sup>9</sup> The development of proposed changes to the T&Cs included broad consideration of customer interests, based on the Utilities' experience working with customers on a regular basis, as well as consideration of government requirements and processes.<sup>10</sup>

10. In particular, preparation of the Application included consideration of regular interactions between the Utilities' staff and customers with respect to requests for new services and extensions, the review and connection of generating customers, and day-to-day operations of the electrical system.<sup>11</sup> As discussed in the Utilities' response to AEY-YEC-YUB-001 (Round 2), the Utilities work with customers daily on matters related to the T&Cs, and have relied on these numerous

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<sup>6</sup> Round 1 Responses to YUB, AEY-YEC-YUB-023(a-c), PDF 46; Round 1 Responses to Mr. Maissan, AEY-YEC-JM-001(a-c), PDF 1-2; [Responses to YUB \(Round 2\)](#), AEY-YEC-YUB-010, PDF 22-23 [**Round 2 Responses to YUB**].

<sup>7</sup> Round 1 Responses to YUB, AEY-YEC-YUB-036(c), PDF 70; Round 1 Responses to UCG, AEY-YEC-UCG-008(a-b), PDF 11.

<sup>8</sup> Application, paras 13-24, PDF 6-8.

<sup>9</sup> Round 1 Responses to YUB, AEY-YEC-YUB-003(a-b), PDF 5.

<sup>10</sup> Round 2 Responses to YUB, AEY-YEC-YUB-001(a)-(b), PDF 1-2; [Responses to UCG \(Round 2\)](#), AEY-YEC-UCG-019(a), PDF 33 [**Round 2 Responses to UCG**]

<sup>11</sup> Round 1 Responses to YUB, AEY-YEC-YUB-001(c-d), PDF 1-2.

interactions to determine what aspects of the T&Cs require additional guidance or clarity.<sup>12</sup> The Utilities are in constant contact with customers and have proposed these changes from experiences and dealings with their customers (IRs and AEY-YEC-UCG-019 (Round 2)). Given the extensive customer interactions which informed the proposed changes to the T&Cs, the Utilities submit that specific customer consultation during the preparation of the Application was not necessary. Stakeholders were provided with ample notice of the Application and have had an opportunity to participate and provide feedback on the proposed changes in the course of this proceeding.<sup>13</sup>

11. The MIL Study employed a specific, principled methodology, including analysis of historic cost information, and consideration of applicable regulatory principles as described in the Application.<sup>14</sup> It was conducted by AEY personnel with detailed knowledge of the various service types provided by the Utilities and the costs involved.<sup>15</sup> Respectfully, the Utilities submit that stakeholder consultation would not have significantly assisted with the MIL Study. The study was based on cost information as well as regulatory principles, as discussed in the Application and the Utilities' IR responses.<sup>16</sup> However, as is the case for the T&Cs, the MIL Study has been presented to stakeholders and to the Board in this proceeding.<sup>17</sup>

12. The Utilities submit that the changes proposed in the Application are based on thorough, reasoned analysis and that appropriate consideration has been given to stakeholder interests such that the requested relief should be approved by the Board.

### **III. PROPOSED UPDATES TO T&CS**

#### **A. Changes in Service Connections**

13. The Utilities are proposing to add a requirement in Section 4.5(a) of the T&Cs that customers provide the Utilities with reasonable prior written notice of changes in service requirements, including any significant change in load, so that the Utilities can determine whether or not they can supply the changed service without changes to their facilities.<sup>18</sup> A similar

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<sup>12</sup> Round 2 Responses to YUB, AEY-YEC-YUB-001(a)-(b), PDF 1-2.

<sup>13</sup> Round 1 Responses to YUB, AEY-YEC-YUB-003(a-b), PDF 5-6.

<sup>14</sup> Round 1 Responses to YUB, AEY-YEC-YUB-036(f), PDF 70-71.

<sup>15</sup> Round 1 Responses to UCG, AEY-YEC-UCG-008(e-g), PDF 12.

<sup>16</sup> Application, paras 13-23, PDF 6-8 and the MIL Study included in the Application, at paras 3-4, PDF 93-94 and Appendix A – Guiding Principles, PDF 114; Round 2 Responses to UCG, AEY-YEC-UCG-001(a), PDF 1-2.

<sup>17</sup> Round 1 Responses to YUB, AEY-YEC-YUB-036(f), PDF 70-71.

<sup>18</sup> Application, PDF 65.

requirement is already included in Section 8.1 of the current T&Cs with respect to reasonable prior notice for any material changes in Connected Load.<sup>19</sup>

14. This update has been proposed in order to encourage and enable communication between customers and the Utilities and to provide additional tools to address system challenges presented by the energy transition. In particular, the Utilities anticipate that energy consumption by customers may change as a result of federal and provincial policy regarding decarbonization and EVs.<sup>20</sup> As explained in the Utilities' response to AEY-YEC-YUB-010 (Round 2), these changes are not intended to restrict customers.<sup>21</sup> The new requirement is simply meant to ensure that Utilities receive the information they need in order to properly plan and implement system changes. In many cases, significant load changes already require discussions between the Utilities and customers to assess system requirements prior to installation,<sup>22</sup> and the T&C updates clarify the Utilities' expectations in that regard. As more sources of significant electrical load, such as electric heat and EVs, are added by customers, proper communication and planning is required to avoid potential electricity system issues.<sup>23</sup> As indicated in their response to AEY-YEC-JM-001 (Round 1), the provision, as proposed in the Application, enables the Utilities to use tools such as community-specific outreach programs to align community requirements to system conditions and needs as requested based on unique characteristics of the localized system in an area.<sup>24</sup> The Utilities have proposed a proactive approach to significant load changes that is intended to mitigate harm to customers. The Utilities submit that this is in the public interest and should be approved.

## **B. Multiple Dwellings**

15. The Utilities are proposing additional language in Section 4.13 of the T&Cs, which relates to services provided to Multiple Dwellings, in order to (i) clarify how service to common use areas will be billed, including examples of what the Utilities consider to be common use areas, and (ii) add a provision to state that, where a Utility and a customer agree that service to a Multiple

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<sup>19</sup> Application, PDF 78.

<sup>20</sup> Round 1 Responses to Mr. Maissan, AEY-YEC-JM-001(a-c), PDF 1-2.

<sup>21</sup> Round 2 Responses to YUB, AEY-YEC-YUB-010, PDF 22-23.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

<sup>24</sup> Round 1 Responses to Mr. Maissan, AEY-YEC-JM-001(a-c), PDF 1-2.

Dwelling will be delivered through a single point of service, the General Service price schedule will apply.<sup>25</sup>

16. A Multiple Dwelling is defined in the T&Cs as "a residential building containing more than one Single Family Dwelling unit."<sup>26</sup> The Application does not propose any changes to the definition of a "Multiple Dwelling".<sup>27</sup> The Utilities consider that the current definition of "Multiple Dwelling" is appropriate and that no further detail or clarification is required. As discussed in the Utilities' response to AEY-YEC-YUB-019, it is important that the definition remain broad enough to include various multi-dwelling and point of service configurations.<sup>28</sup> If the definition is too prescriptive, additional clarification may be required as circumstances arise, introducing inefficiency and potential delay for customer connections.<sup>29</sup> The Utilities' IR responses discuss how the "Multiple Dwelling" definition can be applied, and demonstrate that various dwelling configurations may exist that would fall within the definition of "Multiple Dwelling", indicating the need for flexibility.<sup>30</sup>

17. Section 4.13 of the T&Cs already allows the Utilities to bill individual residential units the applicable residential rate when the units are each served as a separate Point of Service.<sup>31</sup> The proposed updates clarify the approach to billing for common areas and provide greater flexibility to customers by adding subsection (b) to enable, on agreement, service of an entire Multiple Dwelling through a single Point of Service at the applicable General Service rate.

18. As discussed in the Utilities' responses to AEY-YEC-YUB-005 and AEY-YEC-YUB-029 (Round 1),<sup>32</sup> common use areas in certain types of Multiple Dwellings, such as condos or apartment buildings, are those areas that are collectively funded and maintained by all residents of the property. As noted in the Utilities' response to AEY-YEC-YUB-029(b), almost all residential Multiple Dwellings are served by individual meters and a common area meter.<sup>33</sup> Common areas are typically metered at a single point of service at the General Service rate.<sup>34</sup> Where there is only

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<sup>25</sup> Application, PDF 68.

<sup>26</sup> Application, PDF 59.

<sup>27</sup> Application, PDF 59; Round 1 Responses to Mr. Maissan, AEY-YEC-JM-003(a), PDF 7.

<sup>28</sup> Round 1 Responses to YUB, AEY-YEC-YUB-019, PDF 41.

<sup>29</sup> *Ibid.*

<sup>30</sup> Round 1 Responses to YUB, AEY-YEC-YUB-037, PDF 73-74; Round 1 Responses to Mr. Maissan, AEY-YEC-JM-003(a), PDF 7(b)-(d), PDF 8.

<sup>31</sup> Application, PDF 68.

<sup>32</sup> Round 1 Responses to YUB, AEY-YEC-YUB-005, PDF 9-10 and AEY-YUB-029, PDF 55-57.

<sup>33</sup> Round 1 Responses to YUB, AEY-YEC-YUB-029(b), PDF 56.

<sup>34</sup> *Ibid.*



one point of service for a common area, it is simply not feasible for the Utilities to separate out the general service load and notionally or virtually charge each of the metered customers residing in the building.<sup>35</sup> Instead, the condominium association, property manager, landlord, or building owner, as applicable, is billed at the General Service rate and passes costs on to building residents.<sup>36</sup>

19. In the Utilities' submission, it is appropriate that common areas be billed at the General Service rate. Electrical infrastructure required to service the instantaneous load required by service elevators, boilers and other common areas is comparable to the equipment and load of other general service customers.<sup>37</sup> The power demand for common services is typically higher than the demand of any single resident.<sup>38</sup> Accordingly, it is most appropriate to bill common area demand at the General Service rate, which includes a demand charge to offset costs incurred by the Utilities to ensure an adequate and dependable supply of electricity is available to power the relevant building.<sup>39</sup> As indicated in the Utilities' response to AEY-YEC-YUB-005(b) (Round 1), there are currently no exceptions for Multiple Dwellings where common use areas would not be billed under the General Service price schedule.<sup>40</sup> The Utilities submit that, for the reasons set out above, the proposed changes to Section 4.13(a) of the T&Cs provide appropriate clarity regarding billing of common areas and that common areas should continue to be billed at the General Service rate.

20. For clarity, the Utilities are not seeking to impose General Service rates on individually metered residential units. As explained in the Utilities' response to AEY-YEC-YUB-002(b) (Round 2), in cases where each residential unit in a multiple dwelling has a unique point of service, then those individual units are still metered separately and set a separate bill based on the unit's consumption under the Residential rate.<sup>41</sup>

21. Developers may choose to have a single point of service for an entire housing complex, in which case all energy consumption would be billed at the General Service rate.<sup>42</sup> In these cases,

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<sup>35</sup> Round 1 Responses to YUB, AEY-YEC-YUB-029(f), PDF 57; [Responses to John Maissan \(Round 2\)](#), AEY-YEC-JM-006(a), PDF 12 [**Round 2 Responses to Mr. Maissan**].

<sup>36</sup> Round 1 Responses to YUB, AEY-YEC-YUB-005(c), PDF 10; Round 2 Responses to YUB, AEY-YEC-YUB-002(e), PDF 5.

<sup>37</sup> Round 1 Responses to YUB, AEY-YEC-YUB-029(f), PDF 57.

<sup>38</sup> Round 2 Responses to YUB, AEY-YEC-YUB-002(a), PDF 4.

<sup>39</sup> *Ibid.*

<sup>40</sup> Round 1 Responses to YUB, AEY-YEC-YUB-005(b), PDF 10.

<sup>41</sup> Round 2 Responses to YUB, AEY-YEC-YUB-002(b), PDF 4.

<sup>42</sup> *Ibid.*

the Utilities have no control over how a condominium association, property manager, landlord, or building owner chooses to pass costs on to residents, nor can the Utilities attribute or allocate electricity usage to individual units in cases where multiple residents use electricity from a single Point of Service.<sup>43</sup> Put simply, the utility should only charge customers based on the energy they use, which is measured through a meter at the site (which for a multi-dwelling is the unit). This ensures rate-payer equity and avoid subsidization through virtual allocations with neighbors.

22. As noted in the Utilities' responses to AEY-YEC-MF-002(a) and AEY-YEC-YUB-015 (Round 2), the Utilities conducted a jurisdictional review confirming that other utilities use a single Point of Delivery for common areas and charge a General Service rate for that energy.<sup>44</sup> The Utilities submit that their proposed approach is consistent with typical utility practice and appropriately employed in the Yukon.

### **C. Non-Standard Metering**

23. The Utilities are proposing to add definitions to the T&Cs for a "Standard Meter" and "Non-Standard Meter".<sup>45</sup> Standard Meters are AMI meters, which are being deployed by the Utilities as part of grid modernization initiatives and can be remotely accessed, enabling functions such as remote meter reading, load limiting, and reconnect and disconnect functionality.<sup>46</sup>

24. The addition of a distinction between Standard and Non-standard Meters in the T&Cs will ensure clarity for customers with the roll-out of the Utilities' grid modernization initiatives and provide a number of benefits, including:

- The identification of the Standard as the default product for new meter installations improves transparency for customers regarding meter installation and makes administrative and operational processes more efficient;<sup>47</sup>
- Customers have an option to request a Non-standard Meter rather than the default Standard Meter,<sup>48</sup> which the Utilities submit preserves flexibility for customers, and the inclusion of

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<sup>43</sup> Round 2 Responses to YUB, AEY-YEC-YUB-002(c)-(d), PDF 5.

<sup>44</sup> [AEY-YEC Responses to Max Fraser \(Round 1\)](#), AEY-YEC-MF-002(a), PDF 4-5; Round 2 Responses to YUB, AEY-YEC-YUB-015, PDF 31-38.

<sup>45</sup> Application, para 11, PDF 6 and PDF 60.

<sup>46</sup> Round 1 Responses to Mr. Maissan, AEY-YEC-JM-005(a)-(b), PDF 11-12.

<sup>47</sup> Round 1 Responses to YUB, AEY-YUB-008(b), PDF 14-15.

<sup>48</sup> Application, para 11, PDF 6 and PDF 72-73.

the opt-out process in the T&Cs improves customer awareness and understanding of this option; and

- Changes to the Fees Schedule ensure that additional costs associated with supplementary manual meter reads for Non-standard Meters can be properly allocated to customers who have chosen to opt out of Standard Meters, which facilitates effective cost management.<sup>49</sup>

25. The Utilities submit that the proposed changes to the T&Cs regarding Standard and Non-standard meters are necessary to prepare the Utilities and their customers for grid modernization, while preserving customer flexibility to opt-out of AMI metering. The proposed changes to the Fees Schedule related to the addition of Standard and Non-standard Metering provisions also ensure that the T&Cs remain aligned with cost causation principles.

#### **D. Cost Sharing Mechanism**

26. The Utilities are proposing to revise Section 4.8 of the T&Cs, "Extension of Service", to limit the Cost Sharing term to a maximum of five years, and to state that Cost Sharing will not be administered for projects under \$20,000 and will be limited to three shares.<sup>50</sup> These changes are intended to allow equitable distribution of costs while also ensuring that the administrative burden associated with cost sharing arrangements is manageable for the Utilities.<sup>51</sup>

27. As explained in the Utilities' response to AEY-YEC-YUB-004 and AEY-YEC-YUB-028 (Round 1),<sup>52</sup> there is currently a low cost-sharing limit with a longer cost-sharing term, which creates considerable administrative burden for the Utilities due to the need to track and maintain records for projects for the duration of the term. The increase to the cost sharing limit has been doubled in consideration of this burden and to reflect inflation since the T&Cs were last reviewed in 2011. The Utilities also consider that the shorter cost-sharing term will assist in reducing administrative burden associated with tracking cost-sharing information, particularly given that the probability of sharing becomes less likely later on in an eligible time period. The Utilities

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<sup>49</sup> Application, para 28, PDF 9 and PDF 90; Round 1 Responses to YUB, AEY-YUB-008(c), PDF 15; Round 1 Responses to UCG, AEY-YEC-UCG-014(d), PDF 25; Round 2 Responses to UCG, AEY-YEC-UCG-010(a), PDF 18-19.

<sup>50</sup> Application, PDF 67.

<sup>51</sup> Application, para 8, PDF 5.

<sup>52</sup> Round 1 Responses to YUB, AEY-YEC-YUB-004(a), PDF 7-8 and AEY-YEC-YUB-028, PDF 53-54.

submit that the proposed changes to the cost-sharing provisions would still enable equitable cost sharing by allowing for equal distribution of costs.<sup>53</sup>

#### **IV. PROPOSED UPDATES TO FEES SCHEDULE**

##### **A. Proposed Fees**

28. The Utilities provided detailed information in support of the determination of appropriate fees as proposed in the updated Fees Schedule.<sup>54</sup> In developing appropriate fee amounts, the Utilities rely on the expertise and lived experiences of their management and office staff.<sup>55</sup> The Utilities submit that this is a reasonable and reliable approach that should be accepted by the Board.

29. Utilities' IR responses also detail the steps that will be taken to contact customers before travelling to the site related to late payment and disconnection issues and before disconnecting customers.<sup>56</sup> The Utilities submit that their approach is reasonable and ensures that disconnection fees will only be incurred when necessary.

30. The Utilities propose to update the fees for connections and disconnections in the Fees Schedule in order to reflect current service costs for the actual work involved in completing the connection or reconnection.<sup>57</sup> As noted in their IR responses, the Utilities anticipate that, as more Standard Meters are installed that are remote capable, these costs will be reduced over time.<sup>58</sup>

31. The Fees Schedule includes a fee for Customer Usage Information Requests that is based on the average time required to provide the service.<sup>59</sup> The use of an average is efficient and avoids the incurrence of additional utility administrative costs that would be required to charge based on actual time and materials.<sup>60</sup> As explained in the Utilities' IR responses, that average includes time required to respond to customer usage information requests, which includes time for engineering (load information, sizing, etc.) and IT services (mapping, assets) information.<sup>61</sup> The customer

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<sup>53</sup> Application, para 8, PDF 5; Round 1 Responses to YUB, AEY-YEC-YUB-004(a)-(d), PDF 7-8 and AEY-YEC-YUB-028(c)-(d), PDF 54.

<sup>54</sup> See, e.g., Round 1 Responses to YUB, AEY-YEC-YUB-010, PDF 18-20, AEY-YEC-YUB-011, PDF 21-25, AEY-YEC-YUB-012, PDF 26-27, AEY-YEC-YUB-013, PDF 28-29, AEY-YEC-YUB-014, PDF 30-31, and AEY-YEC-YUB-015, PDF 32-33; Round 2 Responses to YUB, AEY-YEC-YUB-005, PDF 10-12, AEY-YEC-YUB-006, PDF 13-15, AEY-YEC-YUB-007, PDF 16-17.

<sup>55</sup> Round 1 Responses to YUB, AEY-YEC-YUB-013(a), PDF 28; Round 1 Responses to YUB, AEY-YEC-YUB-014(a), PDF 30-31; Round 1 Responses to YUB, AEY-YEC-YUB-015(a), PDF 32-33.

<sup>56</sup> Round 2 Responses to YUB, AEY-YEC-YUB-007, PDF 16-17 and AEY-YEC-YUB-016, PDF 39-41.

<sup>57</sup> Application, para 26, PDF 9 and PDF 90.

<sup>58</sup> Round 2 Responses to Mr. Maissan, AEY-YEC-JM-008(a), PDF 14.

<sup>59</sup> Application, para 27, PDF 9 and PDF 90; (d), Round 2 Responses to YUB, AEY-YEC-YUB-005(d), PDF 12.

<sup>60</sup> Round 2 Responses to YUB, AEY-YEC-YUB-005(d), PDF 12.

<sup>61</sup> Round 2 Responses to YUB, AEY-YEC-YUB-005(b) and (d), PDF 12.

usage information report is a detailed report, including information beyond just customer usage and costs, and may cover a period of several years.<sup>62</sup> In addition, when responding to customer usage information requests, the Utilities must also ensure that they provide only data applicable to the specific customer making the request.<sup>63</sup> It is consistent with cost causation principles that administrative costs associated with a request are properly charged to the customer causing them.<sup>64</sup>

32. The customer usage information request fee is also intended to reduce administrative burden on Utilities and encourage customer use of the MyAccount system, where historical billing information is readily accessible.<sup>65</sup> Where customers can access information through their MyAccount portal and instead request it directly from the Utilities, the cost of responding to the request is appropriately and fairly charged to the specific customer rather than being included in rates as part of general utility services.<sup>66</sup>

## **B. Additional or Supplementary Services**

33. Importantly, the fees and service charges set out in the Fees Schedule are not exhaustive. The Utilities may certain provide additional or supplementary services to customers, as detailed in their response to AEY-YEC-YUB-024.<sup>67</sup> Customers are advised of the fees for these services in advance and the services are customer-specific (examples provided in the Utilities' IR responses are call-out fees for after-hours reconnects and auto-pay non-sufficient funds charges). The fees are for cost recovery purposes only, reflecting the actual cost of the work done. The Utilities submit that it is appropriate to flow these costs directly to the customer and that, in consideration of their cost-recovery nature and the fact that customers are already informed in advance of the specific fee, no changes to the Fees Schedule are required with respect to such supplementary and additional services.

34. As discussed in the Utilities' response to AEY-YEC-YUB-009 (Round 2), it is important that Utilities have flexibility to address and recover costs associated with special requests by

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<sup>62</sup> Round 2 Responses to UCG, AEY-YEC-UCG-018(a), PDF 32.

<sup>63</sup> Round 2 Responses to YUB, AEY-YEC-YUB-006(c), PDF 14.

<sup>64</sup> Round 2 Responses to YUB, AEY-YEC-YUB-006(f), PDF 14-15.

<sup>65</sup> Round 1 Responses to YUB, AEY-YEC-YUB-012(d), PDF 27.

<sup>66</sup> Round 2 Responses to YUB, AEY-YEC-YUB-006(i), PDF 15.

<sup>67</sup> Round 1 Responses to YUB, AEY-YEC-YUB-024, PDF 47-48.

customers.<sup>68</sup> The Utilities submit that services provided for cost cannot be limited to those outlined in Schedule D as that would lead to inefficiencies and may impact customer experience.<sup>69</sup>

## **V. PROPOSED UPDATES TO MAXIMUM INVESTMENT LEVELS**

### **A. Purpose of the MILs**

35. The MIL is the limit of investment the utility contributes to new extension projects on the distribution grid.<sup>70</sup> Extension costs under the approved MIL amounts are fully contributed by the utility, while costs in excess of the approved MIL are contributed by the customer.<sup>71</sup>

36. MILs are intended to balance the interests of both the customer (ensuring appropriate economic signals for up-front payments), and the Utilities (earning a return on assets that they own and operate).<sup>72</sup> As discussed in the Utilities' response to AEY-YEC-YUB-039(a), MILs are meant to provide economic signals that appropriately influence customer decision making.<sup>73</sup> It is important that a MIL provides an appropriate economic signal to customers to drive decision-making. Setting a MIL too low will result in an undue up-front cost burden for customers. This would result in sending an inappropriate price signal that could discourage investment in the territory, as well as create intergenerational equity issues since new customers would be subsidizing existing customers.<sup>74</sup> MILs should be set to achieve a reasonable balance between the up-front costs borne by the individual customer and the costs paid by all customers in the applicable rate class through ongoing rates.<sup>75</sup>

### **B. MIL Study**

37. The proposed MILs were based on a principled approach involving a comprehensive cost study, supported by a Desktop Study, and in consideration of longstanding regulatory principles.<sup>76</sup>

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<sup>68</sup> Round 2 Responses to YUB, AEY-YEC-YUB-009, PDF 20-21.

<sup>69</sup> *Ibid.*

<sup>70</sup> Round 1 Responses to UCG, AEY-YEC-UCG-006(a)-(b), PDF 7-8.

<sup>71</sup> Round 1 Responses to YUB, AEY-YEC-YUB-039(d)-(e), PDF 87-88; Round 1 Responses to UCG, AEY-YEC-UCG-006, PDF 7-9; Round 2 Responses to UCG, AEY-YEC-UCG-028, PDF 46-48.

<sup>72</sup> Round 2 Responses to UCG, AEY-YEC-UCG-003(a), PDF 4.

<sup>73</sup> Round 1 Responses to YUB, AEY-YEC-YUB-039(a), PDF 86-87.

<sup>74</sup> Round 2 Responses to Mr. Maissan, AEY-YEC-JM-002(a), PDF 3.

<sup>75</sup> Application, PDF 114; Round 1 Responses to YUB, AEY-YEC-YUB-039(a), PDF 86-87; Round 1 Responses to UCG, AEY-YEC-UCG-006(d), PDF 8-9; Round 1 Responses to Mr. Maissan, AEY-YEC-JM-002(a)-(b), PDF 3-5.

<sup>76</sup> Application, Appendix 3. For an overview of the purpose of the MILs and the MIL Study, see the Round 2 Responses to the UCG, AEY-YEC-UCG-028(a), PDF 46-48.

38. The cost study portion of the MIL Study, consisting of a cost per lot, cost per kW, and cost per light study, as applicable ("**Cost Study**") relied on a large dataset capturing various project conditions, with appropriate consideration of the unique nature of each of the project categories as well as adjustment for inflation based on the Handy-Whitman Index ("**HWI**").<sup>77</sup> AEY selected the median cost value from the data set for each category assessed in order to represent a typical customer and avoid reliance on anomalies.<sup>78</sup> The Cost Study was then supplemented by a Desktop Study to confirm the reasonableness of the results of the Cost Study.<sup>79</sup>

39. The Desktop Study portion of the MIL Study is a supplemental study used to confirm the reasonableness of the results of the Cost Study. The Desktop Study considered the cost of a typical service installation for each type of service. For example, the typical residential installation considered in the Desktop Study considered a situation where a transformer supplies only one customer, even though the Cost Study considers various transformer connections.<sup>80</sup> The details of the typical installation scenarios considered in the Desktop Study, as well as statistics confirming the frequency of the scenarios used, are provided in the Utilities' response to AEY-YEC-YUB-020(d).<sup>81</sup> The Utilities emphasize that the Desktop Study should be used as a reference point. The Cost Study provides the most representative cost information because it considered median historical cost, and therefore appropriately captures variation in customer requests and developments as well as trends over time.<sup>82</sup>

40. As described in the Utilities' response to AEY-YEC-YUB-038(g), the methodology used for the MIL Study captures a broad range of project variations and provides stable, representative cost figures.<sup>83</sup> Importantly, the new MIL Study focuses on real project costs based on historical and current data, and did not use any specific percentage or investment proportion as a starting point.<sup>84</sup> This aligns with the Guiding Principles and the principle of cost causation, and helps to ensure that MILs send an appropriate price signal.<sup>85</sup> As explained in the Utilities' response to AEY-YEC-UCG-010(d), the cost ratios are an outcome of the MIL Study but should not drive the MIL

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<sup>77</sup> Application, MIL Study, paras 6-12, PDF 94-96; Round 1 Responses to UCG, AEY-YEC-UCG-015(c-d), PDF 27 and AEY-YEC-UCG-015(f)-(h), PDF 28-29.

<sup>78</sup> Round 1 Responses to YUB, AEY-YEC-YUB-038(g), PDF 80-81; Round 2 Responses to UCG, AEY-YEC-UCG-025(e), PDF 42.

<sup>79</sup> Round 1 Responses to YUB, AEY-YEC-YUB-038(d), PDF 79-80.

<sup>80</sup> Round 1 Responses to YUB, AEY-YEC-YUB-038(e), PDF 80.

<sup>81</sup> Round 2 Responses to YUB, AEY-YEC-YUB-020(d), PDF 52.

<sup>82</sup> Round 1 Responses to YUB, AEY-YEC-YUB-039(f-g), PDF 88.

<sup>83</sup> Round 1 Responses to YUB, AEY-YEC-YUB-038(g), PDF 80-81.

<sup>84</sup> Round 1 Responses to YUB, AEY-YEC-YUB-038(h), PDF 81.

<sup>85</sup> *Ibid.*

amount.<sup>86</sup> The variation of the ratio over time highlights the importance of periodically updating the MIL Study and adjusting MILs annually.

41. In the new MIL Study, the Utilities have determined a Residential Multiple Dwelling MIL using a dedicated calculation pursuant to the MIL Study methodology discussed above.<sup>87</sup> In the MIL Study supporting the currently-approved MILs, the Residential Multiple Dwelling MIL was not specifically calculated, and instead was based on a ratio derived from the Residential Single Family MIL. The Utilities submit that the proposed approach in this MIL Study, which calculates the Residential Multiple Dwelling MIL based on actual project costs, better reflects the difference in new extension costs between Single Family and Multiple Dwelling projects. This promotes fairness between customers and appropriate customer contribution amounts for different types of dwellings since, as discussed in the Utilities' IR responses, service extensions to multiple dwellings, on a per dwelling basis, are generally less expensive than those to single units.<sup>88</sup> The Utilities submit that the proposed approach demonstrates the comprehensive nature of the MIL Study and results in an accurate and appropriate Residential Multiple Dwelling MIL, and should be approved by the Board

### **C. Use of the Handy-Whitman Index**

42. The Utilities relied on the HWI to inflate historical costs considered in the MIL Study to 2025 dollars.<sup>89</sup> The HWI is specific to the electric utility industry and provides a better representation of costs than the Consumer Price Index ("CPI"), which is a general inflation indicator based on the cost of a fixed basket of goods and services purchased by consumers.<sup>90</sup> As explained in the Utilities' response to AEY-YEC-YUB-040(b), the Utilities' last MIL Study also used an industry-specific index, which was the Electric Utility Construction Price Index ("EUCPI") by Statistics Canada.<sup>91</sup> However, the EUCPI was suspended in 2014. AEY considers that an industry-specific index is most appropriate to use for the MIL Study and that the HWI is the best replacement for the EUCPI.

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<sup>86</sup> Round 1 Responses to UCG, AEY-YEC-UCG-010, PDF 16; Round 2 Responses to UCG, AEY-YEC-UCG-011(a), PDF 20 and AEY-YEC-UCG-012, PDF 21.

<sup>87</sup> Round 1 Responses to UCG, AEY-YEC-UCG-013(a)-(b), PDF 21-22 and AEY-YEC-UCG-015(f), PDF 28; Round 2 Responses to UCG, AEY-YEC-UCG-005(a), PDF 6.

<sup>88</sup> Round 1 Responses to UCG, AEY-YEC-UCG-015(f), PDF 28.

<sup>89</sup> Application, para 12, PDF 95.

<sup>90</sup> Round 1 Responses to YUB, AEY-YEC-YUB-040(a), PDF 91.

<sup>91</sup> Round 1 Responses to YUB, AEY-YEC-YUB-040(b), PDF 91.



## **VI. ANNUAL UPDATE PROCESS**

43. The Utilities are seeking approval to apply the Whitehorse CPI to annually inflate the MILs and the Fees Schedule in years when a joint Phase II rate application or an application seeking approval of new or updated T&Cs or MILs is not before the Board.<sup>92</sup> The updates to the MILs and Fees Schedule would be filed with the Board each year in a no-notice application and would be set on a final basis each year, which will be efficient and provide cost certainty for customers.<sup>93</sup>

44. The Utilities submit that this approach balances the need to ensure that MILs and fees reflect inflation over time, while also promoting regulatory efficiency by avoiding detailed annual reviews.<sup>94</sup> This approach is also consistent with utility practices in Alberta, where distribution utilities update MILs, fees and charges based on inflation in annual rate filings.<sup>95</sup>

45. As explained in the Utilities' responses to AEY-YEC-JM-020 to 021 (Round 1) and AEY-YEC-YUB-021(a) (Round 2), the Utilities are proposing to use the CPI for the annual increase because it is published more frequently and provides more current information, as compared to the HWI.<sup>96</sup> Although the CPI does not correlate perfectly to utility costs, the Utilities submit that the proposed mechanism will better align the relevant amounts to inflationary factors ahead of the next full review.<sup>97</sup>

## **VII. CONCLUDING REMARKS**

46. In summary, the Utilities submit that they have provided comprehensive support for, and justification of, all approvals requested in the Application. The evidence on the record demonstrates that the updates proposed to the T&Cs, including the associated MILs and Fees Schedule, provide reasonable and necessary guidance and clarity to both customers and the Utilities and are consistent with applicable regulatory principles as well as the public interest.

47. In consideration of the above, the Utilities respectfully request that the Board grant the relief sought set out in paragraph 1 herein.

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<sup>92</sup> Application, paras 24, 31, and 32(d), PDF 8 and 10.

<sup>93</sup> Round 2 Responses to UCG, AEY-YEC-UCG-007(c), PDF 12; Round 2 Responses to Mr. Maissan, AEY-YEC-JM-013(a), PDF 21.

<sup>94</sup> Round 1 Responses to UCG, AEY-YEC-UCG-010(e), PDF 16.

<sup>95</sup> Round 1 Responses to UCG, AEY-YEC-UCG-010(g), PDF 17.

<sup>96</sup> Round 1 Responses to Mr. Maissan, AEY-YEC-JM-020(a), PDF 34; Round 2 Responses to YUB, AEY-YEC-YUB-021(a), PDF 55 and AEY-YEC-JM-021(a)-(b), PDF 37.

<sup>97</sup> Round 1 Responses to YUB, AEY-YEC-YUB-016(c), PDF 35; Round 2 Responses to YUB, AEY-YEC-YUB-021(a), PDF 55.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of June, 2025.

**ATCO ELECTRIC YUKON**

**YUKON ENERGY CORPORATION**