



YUKON

July 18, 2022

Yukon Utilities Board
PO Box 31728
Whitehorse, YK Y1A 6L3

Attention: Mr. Richard Buchan
Chair

**Re: ATCO Electric Yukon's (AEY)
Rate Relief in the Yukon**

Attached please find ATCO Electric Yukon's (AEY) Application regarding rate relief in the Yukon.

Please contact me at chris.cullingham@atco.com if you have any questions about this submission.

Yours truly,

Chris Cullingham
Manager, Regulatory

I. Introduction

1. Pursuant to ATCO Electric Yukon's (AEY) April 29, 2022 letter to the Yukon Utilities Board (YUB), and in alignment with government initiatives regarding the Inflation Relief Rebate, AEY submits this Application to propose rate relief for residential and commercial non-government ratepayers¹ in the Yukon.
2. This Application seeks approval for two proposals related to rate relief which can be implemented in a timely fashion:
 - Approval to refund the balance accumulated in AEY's Rate Case Reserve account to residential and commercial non-government customers, via a new Rider Y, effective November 1, 2022 through February 28, 2023.
 - Approval of AEY's proposed Rider R revenue refund rate relief mechanism to residential and commercial non-government customers, as described below, effective the first day of the month following a Board Decision (anticipated September 1, 2022).
3. Because this Application is straightforward and has a narrow scope, AEY is proposing a streamlined schedule which would entail, if required, a deadline for participant registration, followed by written submissions regarding the rate relief proposals. To prepare to track and subsequently refund Rider R revenue for an anticipated starting date of September 1, 2022, AEY is requesting a decision by August 20, 2022.

II. Discussion

Rate Case Reserve Refund

4. The Rate Case Reserve deferral was approved as part of AEY's 2016/17 General Rate Application (GRA) in Board Order 2017-01.²

¹ The Yukon Government announced the Inflation Relief Rebate on March 22, 2022. Accessed here on May 17, 2022: <https://yukon.ca/en/news/new-temporary-inflation-relief-rebate-save-yukoners-and-local-businesses-150-their-electricity-bills>. The rebate will be applied automatically to all residential and commercial ATCO Electric Yukon and Yukon Energy electricity bills in the coming months.

² Appendix A to Board Order 2017-01, Paragraph 395.

5. Since that proceeding, AEY has not incurred significant regulatory expense. Due to the annual collection of \$0.3 million Rate Case Reserve costs in base rates, the Rate Case Reserve balance has accumulated to approximately \$1.3 million (as of December 31, 2021). AEY will continue to collect the annual amount in its base rates, however, is proposing to refund the accumulated balance as of December 31, 2021.
6. Forecast non-government residential and commercial base revenue for AEY and YEC customers for the November 1, 2022 to February 28, 2023 period is \$18.03 million.
7. The Rider is determined as follows:

$$\text{Rider Y} = \frac{\$1.3 \text{ M}}{\$18.03 \text{ M}} = 7.21\%$$

8. Rider R Revenue Rate Relief

9. In Board Order 2017-03, AEY's ongoing Rider R was approved at 8.3% of base rates. Rider R applies to all base revenue in the Yukon. AEY proposes that the rate relief would be the equivalent of Rider R revenue that is specifically recovered from industrial customers in YEC's service territory served under Rate Schedule 39, Industrial Primary ("Rider R Industrial Revenue").
10. Since AEY's 2016/17 General Rate Application, Rider R Industrial Revenue has increased rapidly and is now material – exceeding \$0.9 million in 2021. AEY proposes that the Rider R Revenue rate relief be the equivalent of the Rider R Industrial Revenue because it is now material,³ and it has limited correlation with AEY's expenses or operations as the Rate 39 industrial customers are located in YEC's service territory. This is further discussed below.
11. To facilitate the proposed Rider R Revenue rate relief, AEY is proposing to record Rider R Industrial Revenue in a new deferral account, beginning the first day of the month following a Board Decision. Once this deferral account's balance has accumulated to

³ Using Rider R Industrial Revenue from 2021, the estimated rider refund to non-government residential and commercial customers is approximately 2%.

\$0.250 million, AEY will apply to the Board to begin refunding this deferral account via a rider to residential and commercial non-government customers.⁴ AEY will update the refund rider on a periodic basis, as necessary, to provide ongoing rate relief.

12. As AEY is seeking a deferral account to track Rider R Industrial Revenue for the purposes of the proposed rate relief, AEY addresses below how this deferral is in line with the standard criteria for a deferral account as set out in Order 2014-06, which includes:

- Under management’s control: AEY does not interact with Industrial customers in YEC’s service territory, so has limited visibility into their operations. AEY does not monitor or forecast metal commodity markets and is unable to speculate on ongoing industrial operations in YEC’s service territory. Finally, AEY does not incur any specific costs related to industrial operations in YEC’s service territory that might vary in tandem with increased or decreased industrial operations or revenue.
- Materiality: Rider R Industrial Revenue has increased to more than \$0.9 million in 2021. Also, AEY notes Rider R Industrial Revenue changes have no corresponding adjustment to AEY’s expenses.

III. Customer Bill Impact

13. Bill impacts for non-government customers resulting from the requested Rider Y (Rate Case Reserve Refund Rate Relief) are provided in the following table. Bills include all Riders but exclude the GST.

Table 1 - Bill Impacts for Non-Government Customers – Rider Y

Rate Class	Bill Impact	
	\$	%
Residential (800kWh)	-\$8.06	-5.4%
General Service (5kW / 1,000kWh)	-\$9.87	-4.8%

14. AEY will provide customer bill impact details for the proposed Rider R revenue refund rate relief in a future application (as discussed above).

⁴ As noted above, the Yukon Government’s Inflation Relief Rebate is applicable to all non-government residential and commercial ATCO Electric Yukon and Yukon Energy customers.

IV. Implementation Date & Board Approval

15. As this Application is straightforward, has a narrow scope and is in line with government rate relief measures, AEY is proposing a streamlined schedule which would entail, if required, a deadline for participant registration, followed by written submissions regarding the rate relief proposals. If the proposal is approved, AEY will begin recording Rider R Industrial Revenue in a new deferral account on the first day of the month following a Board Decision and will implement Rider Y from November 1, 2022 to February 28, 2023, as described above.