

ATCO Electric Yukon – Rate Relief Application

Yukon Utilities Board (YUB) Information Requests (IRs) Round 1 to ATCO Electric Yukon (AEY)

YUB-AEY-01-001

Reference: Application, page 1, PDF page 2, paragraph 1

Issue: Legislative authority

Quote: 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 nongovernment ratepayers in the Yukon. (footnote removed)

Request:

- (a) Please identify under which act and under which sections and subsections of the act this application is being made.
- (b) How does this refund align with inflation rate relief government initiatives?
- (c) Why did AEY decide it should align with this government initiative?

YUB-AEY-01-002

Reference: Application, page 1, PDF page 2, paragraph 2

Issue: Rate Relief

Quote: This Application seeks approval for two proposals related to rate relief which can be implemented in a timely fashion...

Request:

- (a) Please explain the process that led AEY to conclude that a reimbursement of the balance accumulated in the hearing cost reserve account to ratepayers over a four-month period was appropriate at this time.
- (b) Why was it deemed a more appropriate method of rate relief than other options?
- (c) What other rate relief options did AEY consider?

YUB-AEY-01-003

Reference: Application, page 1, PDF page 2, paragraph 2

Issue: Refund to residential and commercial non-government customers

Quote: ... 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.

Request:

- (a) Was the balance in the Rate Case Reserve account collected through rates from all rate classes or just residential and commercial non-government customers? Please explain.
- (b) If the answer to part (a) is from all customers, does a refund only to residential and commercial non-government customers result in rate discrimination? Please explain.

YUB-AEY-01-004

Reference: Application, page 2, PDF page 3, paragraph 6, and Board Order 2022-09

Issue: Rider Y refund period

Quote: 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.

Preamble: Board Order 2022-09 shows a close of record for this proceeding of September 20, 2022.

Request:

- (a) By what date must the decision be released regarding this application to meet the proposed November 1, 2022 implementation date for Rider Y?
- (b) Please provide a revised Rider Y calculation reflecting a December 1, 2022 implementation date for Rider Y.
- (c) Please provide two Rider Y schedules in Word format, one with a November 1, 2022 implementation date and the second with a December 1, 2022 implementation date.

YUB-AEY-01-005

Reference: Application, pages 1-2, PDF pages 2-3

Issue: Refund effect on revenue requirement and rate base

Request:

Please provide a table showing the effect on AEY's revenue requirement of the Hearing Cost Reserve account refund specifically showing the impact on return, income taxes and rate base for the years 2022 and 2023.

YUB-AEY-01-006

Reference: Application, page 2, PDF page 3, paragraph 9

Issue: Rider R revenue rate relief

Quote: 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”).

Request:

- (a) Does AEY have any Rate Schedule 39, Industrial Primary customers? Please explain.
- (b) If the answer to part (a) is that AEY does not have any Rate Schedule 39, Industrial Primary customers, how can AEY refund revenues from non-AEY customers? Please explain.

YUB-AEY-01-007

Reference: Application, page 2, PDF page 3, paragraph 10

Issue: Industrial revenue to AEY

Quote: 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, and it has limited correlation with AEY’s expenses or operations as the Rate 39 industrial customers are located in YEC’s service territory. (footnote removed)

Request:

- (a) Please provide a continuity table of industrial revenue to AEY for the years 2018-2021 inclusive.
- (b) Should all Rate Schedule 39 industrial revenue belong to YEC? Please explain.

YUB-AEY-01-008

Reference: Application, pages 2-3, PDF pages 3-4, paragraph 11

Issue: Refund to residential and commercial non-government customers

Quote: 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 \$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. AEY will update the refund rider on a periodic basis, as necessary, to provide ongoing rate relief.

Preamble: A deferral account will collect the Rider R industrial revenue and the amount in the deferral account will be refunded to residential and non-government customers.

Request:

- (a) Please explain how this deferral account will not result in the subsidization of residential and commercial non-government rates by industrial customers.
- (b) Does a refund only to residential and commercial non-government customers result in rate discrimination? Please explain.

YUB-AEY-01-009

Reference: Application, page 3, PDF page 4, paragraph 12

Issue: Qualification as a deferral account

Preamble: AEY lists two criteria for deferral account treatment.

Request:

- (a) Please explain how this is not appropriately viewed as an error in the billing system regarding Rate Schedule 39 revenues as opposed to something that requires deferral account treatment.
- (b) From an accounting perspective, does the matching principle (costs and revenues) imply that these revenues (Rate Schedule 39) do not belong to AEY? Please explain.