

John Maissan IRs of ATCO Electric Yukon (AEY) 2023-2024 GRA

ATCO Electric Yukon (AEY) 2023-24 GRA

Information Requests of AEY Round 2, on Depreciation Parameters
from
John Maissan

Depreciation Parameters – regulatory schedules general

JM-AEY-2-1	Regulatory Schedules: (a) Has each and every regulatory schedule been updated? (b) If not, please list which regulatory schedules have been updated.
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Revised Section 7 of AEY’s GRA

JM-AEY-2-2	Table 7.1 page7-1: (a) The “Depreciation Expense – Life” in the updated table 7.1 for the years 2023 and 2024 are lower than the corresponding figures in the original Table 7.1. In practical terms does this mean that AEY’s assets are being depreciated over a longer period of time, i.e. they have a longer life than previously thought? (b) Were the depreciation parameters used in developing the original Table 7.1 those determined in AEY’s previous depreciation study?
JM-AEY-2-3	Table 7.3 page 7-2 (a) What would be the implications for AEY and on the rate payers if the Net Salvage charges were set at the cost of “removals” for these two test years as shown in and be returned to the Concentric recommended amounts starting in the next GRA? (b) What would be the impacts on the ratepayers?

Attachment 1 Concentric Advisors 2022 Depreciation Study

JM-AEY-2-4	PDF Page 5 of 234 graphic figure: (a) On the right side of the figure there are two text boxes one of which says “Previous Study Depreciation Rate 2.75%” and the second of which states “Proposed 2022 Depreciation Rate 3.16%”. Since the proposed depreciation rate is higher than it was previously, one would expect the depreciation costs to go up. Yet Table 7.1, in the blackline version of the GRA updated Section 7 indicates that the expense in 2023 goes <u>down</u> from \$7.324 million to \$6.687 million and in 2024 goes <u>down</u> from \$9.046 million to \$8.471 million. Please explain. (b) In the years 2016 to 2022 inclusive what depreciation rate or rates are used, those from the previous depreciation study or something
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	different? Please explain.
JM-AEY-2-5	<p>PDF page 33 and 34 of 234, Table 1</p> <p>(a) Where there are AEY accounts similar to YEC’s accounts as presented in YEC’s KPMG depreciation study presented in their 2012-2013 GRA, please compare AEY’s proposed annual accrual rate to YEC’s.</p> <p>(b) Did the Concentric Advisors study come to the same general conclusions as KPMG’s study? If not, please explain.</p>
JM-AEY-2-6	<p>Section 6 Retirement Rate Analysis</p> <p>(a) There appear to be a number of accounts in which the actual service lives experienced are substantially longer than the curves presently shown, including:</p> <ol style="list-style-type: none"> i. Internal combustion structures, ii. Internal combustion fuel holders, producers and accessories, iii. Internal combustion accessory, iv. Distribution station equipment v. Poles, towers, and fixtures vi. Overhead devices and conductors, vii. Overhead services, viii. Line transformers, ix. Conventional meters, x. Sentinel lights, and xi. Street lights <p>Is Concentric recommending a reduced depreciation rate for these accounts? If not, please explain</p>
JM-AEY-2-7	<p>Section 6 Retirement Rate Analysis PDF pages 128 - 134.</p> <p>(a) Please describe the types of transportation vehicles in each of accounts 392.20, 392.30, and 392.40.</p> <p>(b) It appears that the actual experience of transportation vehicles in accounts 392.30 and 392.40 is that they have lasted longer than the depreciation curve, is this a correct interpretation of the data presented?</p> <p>(c) If this indeed the experience is Concentric recommending a slower depreciation rate for these vehicles? If not, why not?</p>