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 2023-2024 General Rate Application.

REPLY ARGUMENT OF ATCO ELECTRIC YUKON

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I. INTRODUCTION

1. The following is ATCO Electric Yukon's ("**AEY**") reply to the written Arguments filed by Yukon Energy Corporation ("**YEC**"), Mr. John Maissan, Mr. Florian Boulais, the Yukon Utilities Consumers' Group ("**UCG**"), and the Yukon NDP Caucus ("**NDP**") on December 13, 2023 (collectively, the "**Interveners**").

2. AEY has organized its reply submissions to first address several general issues common to multiple Intervener Arguments, and then to respond to various Intervener submissions regarding certain aspects of AEY's Application and evidence that warrant specific reply. Given the comprehensiveness of AEY's Final Argument filed December 13, 2023 ("**AEY Argument**"), which anticipated and addressed many of the points made in the Intervener Arguments, AEY does not intend to provide specific reply to every assertion in the Intervener Arguments. However, AEY reiterates and relies upon all of the submissions contained in the AEY Argument for the purposes of responding to the various assertions and positions that the Interveners have advanced. AEY's silence on any specific aspect of the Intervener Arguments ought not be interpreted as acceptance. Capitalized terms not otherwise defined herein have the same meaning as in the AEY Argument.

II. REPLY SUBMISSIONS OF AEY

A. General Reply Regarding Intervener Arguments

3. There are several matters that are common to multiple Intervener Arguments, which AEY wishes to address at the outset prior to responding to specific assertions made by each of the Interveners. Each of these matters is discussed in turn below.

1. Punitive, Arbitrary, and Unsupported Requests

4. A number of Intervener submissions request disallowances or reductions to certain components of AEY's forecast 2023-2024 revenue requirement that are without a clear rationale and are not substantiated by any evidence on the record of this proceeding. In AEY's submission, such requests or recommendations are not warranted and should be rejected by the Board.

5. As discussed in the AEY Argument, rates are set on a prospective basis.[1] In several instances, the Intervener Arguments recommend arbitrary disallowances on the basis of AEY's prior performance, and particularly its prior earnings, rather than any alleged flaws in AEY's forecast for the Test Period. In AEY's submission, such recommendations are intended to be punitive in nature and should be approached by the Board with caution. The regulatory framework established under the *Public Utilities Act* ("***PUA***")[2] and the GRA process are not intended to punish a utility if it has exceeded its Board approved ROE or if aspects of the utility's business have not precisely matched its forecast in prior years. The only relevant considerations for the Board are that rates are to be just and reasonable, and the Board shall set a fair return on rate base, allowing the utility to recover a fair return on equity used to finance its rate base.[3]

6. The factors that influenced AEY's earnings in the 2018-2022 period were largely outside of AEY's control, and have either been addressed or incorporated into AEY's forecasts in the current Application in accordance with the regulatory framework.[4] The fact that AEY experienced higher revenues in recent years does not represent confirmation that AEY will have the same earnings performance in future years,[5] and the Application should be decided based on the prospective and comprehensive forecast that AEY has prepared and spoken to at length in this proceeding. AEY also explained the various unanticipated events and the uncertainties which resulted in AEY deciding not to bring an Application before the Board before the current Test Period (other than the 2022 Rate Relief Application), particularly from 2020-2022 when AEY was not in a position to develop a forecast that would have provided a sufficient basis upon which to develop a comprehensive GRA.[6] In AEY's submission, there is no basis under the *PUA* for the Board to order a punitive disallowance based on AEY's performance in prior years. Accordingly, the Board should disregard Intervener submissions which recommend broad and arbitrary disallowances based only on AEY's past performance.

7. In other cases, the Intervener submissions contain allegations that are simply unsupported by any evidence and are wholly unfair and unwarranted. For example, the Maissan Argument

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[1] AEY Argument at paras 95-97.
[2] RSY 2002, c 186 [*PUA*] **[TAB 1]**.
[3] *PUA*, *ibid*, s 32(2); *Rate Policy Directive, 1995*, YOIC 1995/90 [OIC 1995/90] **[TAB 2]**.
[4] AEY Argument at paras 10-13.
[5] AEY Argument at para 98.
[6] AEY Argument at paras 8-9.

contains several unsubstantiated allegations that AEY is prioritizing earnings over ratepayer interests, is running its business based on corporate greed (citing earnings by ATCO Electric Distribution), and that AEY senior managers are pressured through their remuneration structure to achieve high earnings.[7] These statements are entirely unsubstantiated and in direct contradiction to the clear testimony of AEY's witnesses. During cross-examination, Mr. Massie confirmed that AEY is not pressured to "keep up" with earnings of affiliates and that senior management compensation is not based on AEY earning above its approved ROE.[8]

8. All Intervener requests for reductions or disallowances should be reviewed with caution and, for the reasons set out above, requests based solely on Interveners' apparent dissatisfaction with AEY's past performance or which are otherwise punitive, arbitrary, or unsubstantiated in nature should be rejected.

2. Matters Outside of the Scope of the Application

9. Several of the Intervener submissions are outside of the scope of the Application and this process and should be disregarded on that basis. This includes submissions that do not relate to any of the approvals that AEY requests in the Application and, in some cases, which aim to establish new measures for utility regulation under the *PUA* or request that the Board seek guidance on its jurisdiction under the *Act*. In AEY's respectful submission, AEY's GRA is not an appropriate forum and does not provide an appropriate process or an adequate evidentiary record for dealing with such requests.

10. The entirety of the submissions filed by Mr. Boulais are irrelevant to the Board's consideration of the Application given that they do little more than advocate that the Board request a review and amendment to the *PUA*.[9] AEY respectfully submits that this is clearly outside of the scope of the Application. AEY does not intend to respond to the Boulais Argument further herein.

11. The Yee Argument includes several submissions regarding the expression of rates on billing statements,[10] which AEY submits have already been fully addressed in its responses to Information Requests. As AEY has stated previously, the Board's comment in Board Order 2023-

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[7] Maissan Argument, PDF pp. 2, 6, 13.
[8] Transcript, Vol. 1, PDF p. 120, line 22 to PDF p. 122, line 6.
[9] Boulais Argument, PDF p. 6.
[10] Yee Argument, PDF pp. 2-7.

08 that certain billing-related matters were a "GRA issue" related to Mr. Yee's proposed wording changes for the descriptions for Rider F and the YEC Temporary Adjustment Rider, and whether the implementation of such changes would be cost prohibitive.[11] In the relevant context, AEY's understanding is that the Board's comment related to the question of whether the proposal would be cost prohibitive, since GRAs are intended to test a utility's costs and revenue requirements.[12] The Yee Argument does not address the proposed changes with respect to AEY's requested revenue requirements. In any event, AEY has already confirmed that it will consider Mr. Yee's suggestions regarding billing presentation, as raised in the Information Request process, following the stabilization period required for AEY's new billing system.[13] Accordingly, any consideration of changes to AEY's bill presentation, or the corresponding online bill calculator, would be premature. Therefore, contrary to Mr. Yee's suggestion that AEY does not object to his proposed changes,[14] AEY has not taken a position with respect to the proposals because they are not appropriately considered at this time and in this proceeding. Following the stabilization period required for the new billing system, AEY will consider what improvements to the bill statement and online calculator are possible by assessing the associated costs and resources required, as well as collaborating with YEC.

12. Moreover, Mr. Yee acknowledges that he is a customer of YEC,[15] not of AEY, and several of the submissions in the Yee Argument relate to a recommendation for a Board direction that would apply to YEC. Given that Mr. Yee did not file any evidence or conduct any cross-examination in this proceeding, it is unclear whose interests he represents. In AEY's respectful submission, Mr. Yee's submissions fall well outside of the scope of the subject GRA proceeding.

3. Areas of Agreement

13. AEY also wishes to highlight that there are several aspects of the Application with which Interveners concurred or supported based on the submissions contained in the Intervener Arguments. In this regard, Mr. Maissan takes the position that AEY's primary retail sales forecast for the Test Period, its requested continuation of the Purchased Power Flow Through, Diesel Deferral Account, and certain aspects of the requested IPP Deferral Account, and its applied-for

[11] Exhibit A-13.2, PDF p. 9.
[12] Exhibit A-13.2, PDF p. 9.
[13] Exhibit B-9, PDF pp. 4-5,
[14] Yee Argument at paras 11, 18, 22.
[15] Yee Argument at para 30, PDF p. 6.

cost of debt, no cost capital, equity ratio, and AMI program should be approved.[16] The YEC Argument also states that AEY requires the IPP Deferral Account.[17] AEY agrees with all of the foregoing.

14. Mr. Maissan also agrees that AEY should be allowed to recover a reasonable ROE.[18] In fact, both Mr. Maissan and the NDP indicated that it is appropriate to award AEY a risk premium in determining its ROE.[19] In AEY's submission, the only way for the Board to award a risk premium is based on the evidence and recommendation of Concentric, given that AEY is the only party in this proceeding to undertake or commission an analysis and provide evidence in relation to AEY's business risk.

B. AEY's Specific Reply to Assertions in Intervener Arguments

1. Specific Reply to YEC Argument

15. In general, AEY notes that YEC has provided several comments, including new evidence, regarding YEC's forecast and requested ROE in the ongoing YEC 2023-2024 GRA. In AEY's respectful submission, such submissions are appropriately dealt with in the YEC 2023-24 GRA proceeding and are outside of the scope of AEY's Application.

(a) AEY Risk Premium in Comparison to YEC

16. YEC takes the position that the Board should acknowledge that the business risk premium for YEC should be higher than for AEY,[20] and requests an increase to the YEC risk premium to correspond to any increase to the AEY risk premium.[21] YEC states, "[b]ased on the Stand Alone Principle and OIC 1995/90 directions regarding determining a fair return, there is no reasonable basis to distinguish investor-owned publicly traded utilities from government owned utilities for ROE purposes."[22]

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[16] Maissan Argument, PDF pp. 2, 5-6, 11.
[17] YEC Argument, PDF p. 5.
[18] Maissan Argument, PDF p. 6.
[19] Maissan Argument, PDF pp. 7-8; NDP Argument, PDF pp. 5-7.
[20] YEC Argument, p. 2.
[21] YEC Argument, p. 3.
[22] YEC Argument, p. 3.

17. The AEY Argument details why YEC should not be considered as an appropriate comparator to AEY when determining the AEY ROE.[23] Mr. Trogonoski explained at the hearing how an appropriate risk premium is assessed from the perspective of the market:

> I mean we're looking at the equity return here and what risk premium there should be for AEY. And in that regard, you know, our view is that the market looks at the individual company and they assess the risks of that company as compared to their peers. And if the risks are higher, which we believe they are for AEY, then we think that supports and justifies a risk premium above what you would have for an average risk utility.[24]

18. Mr. Trogonoski also explained Concentric's view that smaller, investor-owned publicly held electric or gas distribution utilities are more appropriate comparator peers than YEC.[25] Importantly, as a government-owned utility, YEC does not raise capital in the same way as an investor-owned utility like AEY, and each would need to offer a different type of return to investors.[26] In AEY's submission, the fact that there is no presumed government support for AEY in the event of financial distress, as there would be for YEC, is another important distinction between the two companies.

19. This distinction remains the same when considering the standalone principle and the *Rate Policy Directive, 1995* ("**OIC 1995/90**").[27] The standalone principle would consider AEY as a small northern utility without government support. OIC 1995/90 contains no direction on how AEY and YEC's risk should be considered in comparison to each other; it simply provides that each must have rates that allow for them to earn a fair return on their equity used to finance their rate base.[28] AEY has provided independent expert evidence demonstrating that an ROE of 10.40% (based on the BCUC GCOC benchmark rate of 9.65% plus a risk premium of 0.75%) would provide a fair return in consideration of AEY's specific circumstances and appropriate comparators.

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[23] AEY Argument at paras 75-77.
[24] Transcript, Vol. 3, PDF p. 170, line 22 to PDF p. 171, line 5.
[25] Transcript, Vol. 4, PDF p. 8, lines 10-21.
[26] Transcript, Vol. 4, PDF p. 8, lines 14-21.
[27] YOIC 1995/90, *supra* note 3.
[28] *Ibid*, s 2.

(b) Primary Wholesale Purchase Forecast

20. The YEC Argument includes submissions regarding the AEY primary wholesale purchase forecast for the Test Period compared with the forecast YEC prepared for its 2023-2024 GRA.[29]

21. AEY submits that the primary wholesale purchase forecast it has provided in its GRA is a reasonable estimate of wholesale purchases from YEC. AEY's 2023 forecast increase of 1.0% is in line with the average annual increase for its primary wholesale purchases in the last five years, as shown in the YEC Argument.[30] Additionally, as discussed in AEY's Argument,[31] as of October 2023, AEY's sales are tracking approximately 0.8% lower than forecast. While AEY's primary wholesale forecast for 2023 is approximately 0.5% lower than YEC's forecast, AEY's 2024 forecast is 1.8% higher than YEC's forecast.[32] When comparing forecasts for both Test Years for both utilities, and in consideration of AEY's year-to-date actuals, AEY submits that, if anything, all indications are that AEY is over-forecasting its sales for 2023 and 2024. As such, AEY has not taken a conservative approach with respect to forecasting its sales.

2. Specific Reply to Maissan Argument

(a) AEY's Request to Establish a Deferral Account for Board Orders or Legislative Changes

22. AEY's submissions regarding the need for the Board Orders and Legislative Changes deferral account are detailed in Section III(B) of the AEY Argument.[33] These submissions directly address Mr. Maissan's recommendation that the Board not approve this deferral account.[34] In addition, Mr. Maissan's recommendation is undermined by his acknowledgment that there is cause for concern that the legislative environment in which AEY operates may change rapidly as the energy transition accelerates,[35] as well as by his reliance on the fact that the micro-generation program has been in effect for several years such that it is a legislative or policy change related to the energy transition that AEY is able to manage. With respect to the micro-generation program,

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[29] YEC Argument, s 4.2, starting at PDF p. 6.

[30] YEC Argument, s 4.2, PDF p. 7. The numbers presented by YEC are generally consistent with AEY's calculations based on the values shown in Exhibit B-10.4, Schedule 3.1. However, AEY notes that YEC appears to be using values from AEY's initial Application (Exhibit B-1.1) and not the values from AEY's October 30 Omissions and Updates Filing (Exhibit B-10.2).

[31] AEY Argument, para. 28.

[32] This is based on calculating the difference between AEY's 2023 and 2024 primary wholesale forecasts of 349.5 GWh and 362.4 GWh, respectively (Exhibit B-10.4, Schedule 3.1), and YEC's 2023 and 2024 primary wholesale forecasts of 351.3 GWh and 355.9 GWh, respectively (YEC Argument, s 4.2, PDF p. 7). AEY's calculation differs slightly from what is stated in the YEC Argument in s 4.2, PDF p. 6.

[33] Starting at PDF p. 9.

[34] Maissan Argument, PDF p. 3.

[35] Maissan Argument, PDF p. 3.

Mr. Maissan says that "unless there is a significant rate of change there would be no material impact" on AEY.[36] As AEY and the Board learned at the hearing, and as Mr. Maissan acknowledges later in his argument when discussing business risk,[37] the Yukon Government has very recently paused the micro-generation program.[38] AEY submits that this is precisely the type of change, which Mr. Maissan acknowledges could have a material impact on AEY, that the Board Orders and Legislative Changes deferral account is intended to address. To that end, AEY submits that Mr. Maissan's recommendation that the Board decline to approve this deferral account should be dismissed.

(b) Industrial Rider R Deferral Account

23. With respect to AEY's request to continue the Industrial Rider R Deferral Account, Mr. Maissan expresses concern with how industrial sales revenues are recorded in the deferral account and whether there is a need for AEY to apply to the Board to dispense with the balance in the account.[39]

24. Because YEC’s industrial revenue forecast has been factored into AEY’s GRA Rate Adjustment Rider R, the Industrial Rider R Deferral Account balance will be based on the difference between forecast Industrial Rider R revenue and actual Industrial Rider R revenue, and not based on the entirety of YEC’s Industrial sales, as Mr. Maissan suggests. AEY Provided an example of how the Industrial Rider R Deferral will operate after the issuance of a Board Order on AEY's 2023-2024 GRA in its response to AEY-YUB-006(a).[40] In Board Order 2022-13, the Board approved AEY's proposal to track Rider R industrial revenue in a deferral account, and to disburse the amounts in the account once the balance accumulates to $0.25 million.[41] AEY is monitoring the balance of the Industrial Rider R Deferral Account and will submit an application to refund or collect the balance once it reaches the approved threshold balance of +/- $0.25 million.

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[36] Maissan Argument, PDF p. 3.
[37] Maissan Argument, PDF p. 8.
[38] AEY Argument, para. 20.
[39] Maissan Argument, PDF pp. 3-4.
[40] Exhibit B-4, starting at PDF p. 1067.
[41] Board Order 2022-13, Appendix A – Reasons for Decision, PDF pp. 9-10 **[TAB 3]**.

(c) IPP Deferral Account

25. AEY agrees with Mr. Maissan's recommendation that the Board approve the IPP deferral account; however, to be clear, the scope of costs AEY is proposing to include in this deferral account is broader than that referenced in Mr. Maissan's recommendation on PDF p. 6. The costs to be included in the deferral account are consistent with those contemplated under section 2 of OIC 2019/25 and are detailed in the AEY Argument.[42]

(d) O&M Expenses

26. The Maissan Argument recommends that the Board reduce AEY's applied-for O&M costs by $500,000 in each year of the Test Period.[43] This recommended reduction is not supported by the evidence on the record and the $1 million quantum of the reduction appears to be arbitrarily chosen. Mr. Maissan's allegation that AEY applies for high O&M costs in order to earn high ROEs is unsubstantiated and entirely ignores the evidence that AEY's actual O&M costs are tracking to be higher than its forecast O&M expenses for 2023.[44]

27. In support of his proposed reduction, Mr. Maissan suggests that "AEY should be able to reduce their brushing costs in 2023 and 2024." This suggestion is completely at odds with his view that "we, globally, are needing to make significant lifestyle changes sooner rather than later if climate disasters are to be minimized."[45] At the hearing, Mr. Massie discussed the severe losses resulting from wildfires in the Northwest Territories in August and September 2023,[46] as well as similar experiences with wildfires in Alberta. Moreover, Mr. Massie was unequivocal when explaining to Mr. Maissan during cross-examination that there is no flexibility in the O&M forecast when it comes to the brushing program given how critical keeping vegetation away from high voltage lines is in terms of wildfire mitigation.[47] Mr. Maissan's recommendation for a significant and arbitrary disallowance to AEY's O&M forecast on the basis of his view that there must be flexibility to reduce costs for programs such as brushing is inconsistent with his own submissions regarding climate change and is directly controverted by the clear testimony of Mr.

[42] AEY Argument, para. 36.
[43] Maissan Argument, PDF p. 11.
[44] AEY Argument, para. 98; Transcript, Vol. 4, PDF p. 5, lines 1-4.
[45] Maissan Argument, PDF p. 3.
[46] Transcript Vol. 1, PDF p. 38, lines 11-20.
[47] Transcript Vol. 1, PDF p. 84, lines 18-25 and PDF p. 85, lines 1-2.

Massie. For these reasons, AEY submits that Mr. Maissan's recommendation should be rejected by the Board.

(e) Reinstatement of Net Negative Salvage

28. The Maissan Argument recommends that the Board approve only 50% of AEY's requested net salvage collection in the Test Years, stating that the reinstatement of net negative salvage alongside high O&M and capital costs will result in exacerbated rate impacts.[48]

29. A 50% reduction to the applied-for amounts would not be a prudent method for reintroducing net negative salvage collection. AEY has already taken a moderate approach to the proposed reinstatement, as discussed in the Application and Depreciation Study. Due to AEY's request for a "phase-in approach" to the reinstatement of net salvage, in order to manage potential rate shock, Concentric's net salvage recommendations for most of AEY's accounts are on the lower end of the peer range,[49] and are also generally lower than historical average amounts.[50] Net salvage increases have also been partially mitigated by an increase in service lives for a majority of AEY's large distribution plant accounts.[51] If net negative salvage collection is reinstated at the lower amounts recommended by Mr. Maissan, then there may be larger increases in the future. Given inflationary pressures, which impact O&M expenses,[52] as well as the need for AEY's capital program to keep up with demand requirements,[53] there is no basis to support the position that collection of these amounts would result in a lesser impact in the future. In AEY's submission, Mr. Maissan's proposal would not adequately address the need to reinstate net negative salvage collection in order to adequately prepare for upcoming salvage work, and could cause volatility in rates and further intergenerational inequities.

(f) ROE and Risk Premium

30. Mr. Maissan's recommendation that the Board only grant AEY a 0.25% risk premium above the 9.65% ROE recently approved by the BCUC[54] is arbitrary and unsupported by any evidence on the record of this proceeding. Notwithstanding the Maissan Argument spends more

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[48] Maissan Argument, PDF p. 15.
[49] Exhibit B-10.2, Depreciation Study, p. 3-5, PDF p. 69.
[50] Exhibit B-10.2, Depreciation Study, pp. 3-5 to 3-18; PDF pp. 69-82.
[51] Exhibit B-10.2, Depreciation Study, pp. 3-5 to 3-18; PDF pp. 69-82.
[52] E.g., Exhibit B-1, PDF pp. 10, 114.
[53] Exhibit B-1, PDF pp. 173-74.
[54] Maissan Argument, PDF p. 10.

time discussing matters related to cost of capital than any other topic, Mr. Maissan fails to address the primary basis for Concentric's recommendation that AEY be granted a 0.75% risk premium on top of the BCUC approved ROE, being AEY's small size in comparison to the comparator utilities analyzed by Concentric, as discussed in detail in Section X(B)(2) of the AEY Argument.[55] Concentric's Risk Assessment demonstrates that the 0.25% risk premium previously granted by the Board is not sufficient to compensate equity investors for AEY's extremely small size compared to other investor-owned electric and gas utilities in Canada. Another important risk for AEY is its elevated capital expenditures forecast, which is driven by the need for AEY to make additional investments related to the energy transition without any assurance that customers will convert to electricity on a certain timeline. While AEY disagrees with Mr. Maissan's attempts to minimize the weather and energy transition related risks to AEY, his discussion of such risks fails to address the greatest risk to AEY based on the independent evidence of Concentric.

31. Mr. Maissan's submissions specifically acknowledging that AEY faces new risks and his recommendation that a risk premium be awarded support AEY's position on business risk in this proceeding.[56] However, where Mr. Maissan's submissions are not supported by any independent or credible evidence, AEY submits that the Board's decision related to AEY's business risk can only properly be based on the evidence of Concentric and AEY, which supports a risk premium of 0.75% above the BCUC approved ROE of 9.65%.

32. Mr. Maissan also suggests that it was established in cross-examination that the Board recognizes the standalone principle.[57] As discussed in the AEY Argument,[58] AEY's understanding is that the Board has not explicitly accepted the standalone principle, particularly with respect to an appropriate risk premium. For the reasons discussed in the Risk Assessment and the AEY Argument, it is AEY's position that the Board should acknowledge the standalone principle, consistent with other Canadian utility regulators. AEY also notes that, in accordance with section 3 of OIC 1995/90, the Board is to "review and approve rates in accordance with principles established in Canada for utilities, including those principles established by regulatory authorities of the Government of Canada or of a province regulating hydro and non-hydro electric utilities."

[55] AEY Argument, starting at PDF p. 27.
[56] Maissan Argument, PDF p. 10.
[57] Maissan Argument, PDF p. 10.
[58] AEY Argument, para 93.

In AEY's submission, this supports the Board's recognition of the standalone principle which, as discussed in the AEY Argument and the Risk Assessment,[59] is widely accepted by Canadian utility regulators.

(g) Capital Additions and Expenditures

33. The Maissan Argument suggests that AEY was "putting off" the 6L19 Voltage Improvement project (Business Case #30), and recommends that approval of the project be conditioned on the upgrades being able to accommodate and not increase costs of upgrades required in the event the Tlingit Homeland Energy Limited Partnership Atlin hydro project ("**THELP project**") proceeds.[60] As confirmed at the hearing and noted in AEY's response to AEY-JM-040, possible low voltage on the 6L11 and 6L19 line was a concern earlier than April 4, 2023, but undervoltage issues were not fully known until the completion of the April 4, 2023 study.[61] This included a more detailed analysis to ensure all system needs could be met in a safe and reliable manner.[62]

34. Business Case #30 included assessment of an alternative for the project that would install regulators at locations specified by the THELP project (Alternative 6, Scenario 4 THELP).[63] AEY also notes that any changes required to AEY's system in the event the THELP project proceeds would go to the cost of the THELP project and would not be borne by AEY.[64]

35. Mr. Maissan further recommends reductions to the applied-for total and net capital expenditures in the Test Years.[65] As with the recommended O&M reduction, these amounts are not supported by any evidence with respect to AEY's 2023-2024 capital program. As provided in AEY's response to Undertaking 15, AEY's full-year forecast for 2023 capital expenditures, based on actuals as of October 31, 2023, is approximately $24.9 million, with net capital expenditures of approximately $11.8 million.[66] These amounts are slightly lower than applied-for mainly due to delays in receiving the required land use permit for the Mayo Road substation project, which is

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[59] Exhibit B-1, Risk Assessment, p. 9, PDF p. 147; AEY Argument, para. 91.
[60] Maissan Argument, PDF p. 12.
[61] Transcript, Vol. 1, PDF p. 88, line 4 to PDF p. 91, line 19; Exhibit B-4, response to AEY-JM-040(a), PDF p. 93 and AEY-UCG-092(a) Attachment 1, starting PDF p. 921.
[62] See Exhibit B-4, AEY-UCG-092(a) Attachment 1, starting PDF p. 921.
[63] Exhibit B-1.8, PDF pp. 115-16.
[64] As shown in Exhibit B-10.4, Schedule 9.2, Line No. 180, the THELP project is a new extension IPP project. This means that it is a customer contributed project.
[65] Maissan Argument, PDF p. 13.
[66] AEY Hearing Undertakings, Dec. 4, 2023, response to Undertaking Number 15, PDF p. 648.

expected to be completed in 2024. Mr. Maissan's recommendation for a 20% reduction to the applied-for 2024 capital program does not take into account that AEY must still address the drivers behind the projects proposed for the 2024 Test Year, and any delayed projects, as part of AEY's mandate to provide safe and reliable service. In AEY's submission, the recommended reduction in the Maissan Argument is an arbitrarily chosen amount that is unsubstantiated in evidence. It is not supported by any rationale other than Mr. Maissan's assertions regarding AEY's capital cost history as set out in Exhibit C3-7. AEY explained at the hearing how it adjusted its forecasting methodology in its last GRA to show the difference between controllable and non-controllable projects and discussed the context behind the figures Mr. Maissan has put forward in Exhibit C3-7, such that it should be afforded little weight in the prospective consideration of AEY's ability to complete its 2023-2024 capital program.[67]

36. As discussed in the Application, AEY is experiencing a need for growth of its capital program in order to keep up with demand from significant load growth in the Yukon and to maintain safe and reliable services.[68] The requested capital increase for the Test Period is not an anomaly; AEY expects higher capital program spends in the next few years to ensure a reliable system for Yukoners.[69] AEY has measures in place to execute its capital program[70] and it is important and necessary that it has the available capital with which to do so.

3. Specific Reply to UCG Argument

37. In general, AEY submits that the UCG Argument contains multiple allegations that are entirely unsubstantiated and unwarranted, and uses unnecessarily provocative language in its criticism of AEY and the Application.

38. The UCG also suggests that AEY "made it very problematic and thus frustrating to determine exactly how AEY calculated their revenue requirement"[71] and that AEY failed to forward its October 30, 2023 Application Update to Interveners.[72] Neither of these statements is true. AEY's applied-for revenue requirement is fully supported by the Application[73] and detailed

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[67] See the AEY Argument, para. 118.
[68] Exhibit B-1, PDF p. 173.
[69] Exhibit B-1, PDF pp. 173, 181; Transcript, Vol. 2, PDF p. 97, lines 7-16.
[70] Exhibit B-1, PDF pp. 178-79; AEY Argument, paras. 114-18.
[71] UCG Argument, para. 7.
[72] UCG Argument, para. 10.
[73] Exhibit B-1; Exhibit B-10, PDF p. 6; Exhibit B-10.2.

schedules.[74] In addition, AEY's Application update of October 30, 2023[75] was served by email on all parties to this proceeding and was made available on the Board's website shortly after it was filed. The UCG's lack of familiarity with the contents of the record should not be confused with a lack of detail or transparency in the Application and supporting materials.

(a) Sales/Revenue Forecast

39. The UCG advocates for a 5% increase to AEY's sales/revenue forecast based on the suggestion that AEY has a history of underestimating sales revenues in test years.[76] AEY addressed its sales and revenue forecast and the methodology supporting that forecast in detail in Section IV of the AEY Argument. In AEY's submission, the UCG's arbitrary and unsupported recommendation that AEY be ordered to increase its sales and revenue forecast should be rejected, as the UCG has failed to draw any clear link between the quantum of that recommendation and the exhibits it cites in support of the same. Moreover, the UCG fails to account for the evidence and testimony of Mr. Martino, which demonstrated that AEY's sales forecasts have historically been very accurate, with the exception of years such as 2017 when unexpected and unprecedented economic and population growth was experienced.[77] Moreover, the reasonableness and credibility of the UCG's recommendation is undermined by the fact that, as confirmed by Mr. Martino, AEY's 2023 actual sales up to the end of October are tracking extremely close to its 2023 forecast.[78]

(b) O&M Expenses

40. The UCG's recommendation that the Board apply a top-down 5% disallowance to AEY's revenue requirement to "give AEY an incentive to establish efficiencies going forward" is equally arbitrary and unsupported.[79] Based on the evidence and testimony provided on behalf of AEY in this proceeding, it is clear that AEY has been able to find significant efficiencies in its operations, as demonstrated by the fact that its O&M forecast for the Test Period is effectively in line with inflation since 2017 despite the incorporation of increased costs associated with the ATCO CIS Replacement Project.[80] In this regard, the regulatory framework under which AEY operates is

[74] Exhibit B-10.4.
[75] Exhibits B-10 to B-10.4.
[76] UCG Argument, PDF p. 6.
[77] AEY Argument, para. 28.
[78] AEY Argument, para. 28.
[79] UCG Argument, para. 34.
[80] AEY Argument, para. 12.

already incentivizing AEY to find efficiencies, which ultimately benefits customers when those efficiencies are incorporated into rates through a GRA such as in this proceeding. To apply a top-down 5% disallowance based on the unsubstantiated assertions of the UCG would be both unreasonable and unnecessary in AEY's respectful submission.

(c) ROE and Risk Premium

41. Similar to Mr. Maissan, the UCG appears to overlook the fact that AEY's requested risk premium, based on the recommendation of Concentric, is based primarily on the risk to AEY as a result of its small size. Accordingly, AEY submits that the UCG's proposal that AEY's "energy transition risk premium be put on hold until the next GRA where AEY will have clearer evidence of this possibly impacting their ability to retrieve their revenue requirement"[81] should be disregarded by the Board.

42. The UCG also observes that FEI and FBC now have higher equity ratios than AEY.[82] As discussed in the AEY Argument, this is because the BCUC has accounted for increased business risk through the capital structure of FEI and FBC.[83] The implication of the changes to the FEI and FBC equity ratios is that, in theory, the risk premium for AEY should be even higher than 75 basis points in order to make the return equivalent to those for FEI and FBC, since the equity ratio for AEY is at 40%. This further supports the conservative nature[84] of Concentric's recommended 75 basis point risk premium.

(d) Capital Additions and Expenditures

43. The UCG comments that AEY has requested an unprecedented increase in capital costs from its 2017 approved capital program,[85] and suggests that AEY inflates capital projects in test years.[86] As seen in the Application and discussed at the hearing, AEY's capital program for the Test Period involves a number of customer contributed large projects and, among the large non-contributed projects, the CIS Replacement Project is already complete and in-service.[87] As

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81 UCG Argument, para. 27.
82 UCG Argument, para. 14.
83 AEY Argument, para. 100.
84 AEY Argument, paras. 71, 81.
85 UCG Argument, para. 36.
86 UCG Argument, para. 37.
87 Exhibit B-1, PDF pp. 180-81; Exhibit B-1.8; Exhibit B-10.4, Schedules 9.1 and 9.2; Transcript, Vol. 1, PDF p. 106, line 20 to PDF p. 107, line 15.

discussed above, the expansion of AEY's capital program is necessary in order to respond to increasing demand on the system and to ensure continued safe and reliable service for customers. Capital cost increases over time are also the result of inflationary pressures and corresponding increases to contractor and material costs.

44. The UCG also suggests that approximately one third of AEY's requested capital costs are for "new computer systems for management of billing and organization of assets"[88] which, in the UCG's submission, undermines AEY's statement that capital investment is required to keep up with electrification and transition of infrastructure.[89] As detailed in the relevant business cases,[90] the CIS Replacement and Asset Management projects provide a variety of qualitative benefits which improve AEY's system and will better equip it for handling demand growth and increased electrification. In addition, the CIS Replacement Project would better enable potential time of use metering, which will assist AEY in meeting energy transition demands.[91]

45. At paragraph 40 of the UCG Argument, the UCG suggests that not one of the ATCO CIS Replacement Project, Asset Management Program, or My Account for Online Customer Access Project "has direct benefits to ratepayers proven in the evidence and only qualitative benefits to the utility in these test years."[92] AEY disputes this characterization of the evidence before the Board and the benefits provided by these capital projects given the detailed information contained in each of the business cases supporting those projects[93] and in related Information Request responses. In particular, in its response to AEY-YUB-067(f) with respect to the ATCO CIS Replacement Project, AEY provided an analysis demonstrating that replacement of the billing system with Oracle CCS was the lower cost option over the long term compared with maintaining the existing CIS system.[94] In addition, with specific reference to the ATCO CIS Replacement Project and Asset Management Program, Mr. Massie discussed the need for these projects as well as the benefits they provide.[95] For the Asset Management project in particular, Mr. Massie highlighted that AEY expects the project to result in more efficiencies and fewer failures.[96] Failure

[88] AEY has not been able to verify the UCG's calculation.
[89] UCG Argument at para 38.
[90] Exhibit B-1.8, starting at PDF pp. 1 and 12, respectively.
[91] Exhibit B-1.8, PDF pp. 4-5.
[92] UCG Argument, paras. 39-40.
[93] Exhibit B-1.7, Business Case #19, starting at PDF p. 79; Exhibit B-1.8, Business Cases #22 and 24, starting at PDF pp. 1 and 12, respectively.
[94] Exhibit B-4, PDF pp. 1295-96. The references to "Option 2: Bidder 1" in the analysis on PDF p. 1296 refer to the replacement of ATCO CIS with Oracle CCS, which was Alternative #2 assessed in the ATCO CIS Replacement Business Case (Exhibit B-1.8, PSD p. 5).
[95] Transcript, Vol. 2, PDF p. 36, line 23 to PDF p. 38, line 2; Transcript, Vol. 3, PDF p. 115, lines 1-21 and PDF p. 116, lines 5-13.
[96] Transcript, Vol. 3, PDF p. 57, line 23 to PDF p. 59, line 7.

mitigation and faster restoration provide clear customer benefits. However, as discussed above, a utility's ability to find efficiencies also ultimately benefits its customers when those efficiencies are incorporated into rates.

46. The My Account solution clearly has a direct benefit to customers as it provides an opportunity for them to access and manage their accounts online at any time.[97] Moreover, the standard upon which these capital projects should be assessed by the Board is not whether they result in direct benefits to customers, as suggested by the UCG; the relevant standard is whether the associated costs are prudent and reasonable in the circumstances. AEY submits that the record clearly establishes that the costs associated with these important projects are prudent and reasonable.

47. Regarding the UCG's suggestion at paragraph 48 that AEY should file a GRA every two years, AEY submits that, as discussed during the hearing,[98] GRAs are time-consuming and costly. A set timeline for filing GRAs, regardless of whether they are necessary in consideration of the economic and business environment at the relevant time, would not be in the interest of regulatory efficiency and would not contribute to a more effective regulatory process.

(e) Assertions Regarding Efficiencies and Line Losses

48. At paragraphs 81 to 83 of the UCG Argument, the UCG suggests that AEY's "KPIs which tracks distribution performance on an ongoing basis has not appeared to demonstrate this improvement in line loss" and that AEY has not complied with Direction No. 16 from Board Order 2017-01.

49. As explained in the Application,[99] the KPIs are used to retroactively track issues/outages that have already occurred. Therefore, KPIs are not used for preventative projects which AEY undertakes in order to address issues *before* they result in outages, as part of its mandate to provide safe and reliable services to its customers. In response to Direction No. 16 in Board Order 2017-01, AEY provided Attachment 11.2,[100] which sets out both "Preventative" and "Corrective" projects along with the respective drivers and KPIs, as applicable, for each category of project. In

[97] Exhibit B-1.7, Business Case #19, starting at PDF p. 79.
[98] Transcript, Vol. 2, PDF p. 16, lines 15-16; see also Exhibit B-4, PDF p. 118.
[99] Exhibit B-1, PDF p. 185.
[100] Exhibit B-1, PDF p. 241.

AEY's respectful submission, there is no basis for the UCG's assertion that AEY has not complied with Direction No. 16.

50. The UCG's rationale for its allegation appears to be that line losses between 2018 and 2022 have remained within the same general range.[101] Notwithstanding that line loss performance does not relate to whether AEY has met Board Direction No. 16, AEY notes that line losses change as the electrical system grows and new loads and conductors are built. In AEY's submission, keeping a consistent percentage of line losses while expanding the electrical system inherently showcases improvements in line loss. If no system improvements were completed, then presumably the line losses would have increased. There is also no basis for the UCG's statement that any lack of performance with respect to line losses should result in a reduction to the requested ROE. The UCG's unsubstantiated and arbitrary requests in paragraphs 81 to 83 should be disregarded in their entirety.

(f) Recommendation for Direction to Develop a Life-Line Program

51. In paragraphs 84 to 86 of the UCG Argument, the UCG suggests that AEY does not have sufficient programs in place to rectify issues that lead to customer disconnections, and requests that the Board direct AEY to develop a policy to alleviate the issue.

52. As acknowledged by the UCG and as discussed at the hearing,[102] AEY undertakes various efforts to try to assist customers who are having difficulty staying current with utility bill payments. AEY also brought the 2022 Rate Relief Application in order to assist customers and align with government initiatives regarding inflation relief.[103] The UCG's vague reference to the development and implementation of a policy that would assist customers with bill payments extends beyond the scope of this proceeding and, in any event, is not supported by any evidence that would allow for an assessment of the need for such a policy or an appropriate scope or strategy.

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[101] UCG Argument, para. 81; See Exhibit B-10.4, Schedule 3.2, Line 4 for AEY's actual line loss percentages in the years 2016 to 2022.
[102] UCG Argument, para. 85; Transcript, Vol. 2, PDF p. 47, line 18 to PDF p. 48, line 2 and PDF p. 53, line 23 to PDF p. 55, line 3.
[103] AEY 2022 Rate Application, July 18, 2022, PDF p. 1 **[TAB 4]**.

4. Specific Reply to NDP Argument

(a) ROE and Risk Premium

53. Many of the unsubstantiated and unwarranted assertions in the NDP Argument are addressed above in AEY's general submissions and in its reply to similar assertions in other Intervener Arguments. However, AEY wishes to emphasize that a utility's ability to earn above its approved ROE is part of the regulatory scheme. As discussed above and in the AEY Argument, rates are set prospectively, and the GRA process provides an opportunity for benefits achieved in prior years to be passed on to ratepayers when rates are reset.

54. The NDP Argument contains several submissions on the standalone principle which, respectfully, misinterpret how the standalone principle is generally considered and applied in utility ratemaking. The fact that CU Inc. mirrors down debt cost to AEY is a benefit for AEY ratepayers because the debt is based on the credit rating and financial strength of CUI.[104] This results in substantially lower interest expense for AEY ratepayers.[105] As a stand-alone entity, AEY would not be able to access the public debt market and would likely not have an investment grade credit rating due to its small size.[106] Contrary to the NDP's suggestion that AEY does not have to attract capital because it is a wholly-owned subsidiary company,[107] AEY must compete for capital within the corporate structure with other affiliate companies, and must offer a competitive risk-adjusted return. As set out in the Risk Assessment and the AEY Argument, AEY's equity return should be set to reflect the stand-alone risks of AEY, both business and financial.

55. At paragraph 11 of the NDP Argument, the NDP suggests that "[t]here is a long list of risks and costs that are mitigated by the relation AEY has with ATCO Electric and CUI." What the NDP fails to recognize is that every one of the items listed ultimately result in cost efficiencies for AEY and benefits to customers, but none address the risks that form the basis of Concentric's risk premium recommendation.

56. In general, the NDP's recommendations regarding AEY's requested ROE are inconsistent and unclear:

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[104] Exhibit B-1, Risk Assessment, p. 9, PDF p. 147.
[105] Transcript, Vol. 3, PDF p. 166, line 23 to PDF p. 167, line 2.
[106] Exhibit B-1, Risk Assessment, pp. 9-10, PDF pp. 147-48.
[107] NDP Argument at paras 21-22.

- At paragraph 17 of the NDP Argument, the NDP states that an ROE of 9% for each of 2023 and 2024 would be more appropriate than an increased ROE.

- At paragraph 33, the NDP argues that AEY should not be granted a risk premium of more than 0.25%, which AEY interprets to mean that the NDP agrees a risk premium is warranted, similar to Mr. Maissan.

- While AEY disagrees with the NDP's submissions regarding the relevance of the ROE established for Maritime Electric Company Ltd. ("**Maritime Electric**") through the negotiated settlement (discussed below), at paragraph 40 the NDP suggests that "if [Maritime Electric] found 9.35% to be a fair ROE, that AEY would find the same, given their comparable business risks." This conflicts with the NDP's submissions in paragraphs 17 and 33, and also ignores the clear evidence on the record that AEY considers 10.4% to represent a fair ROE, based on the ROE established through the BCUC's recent GCOC decision and Concentric's recommended risk premium for AEY.

57. In its submissions suggesting that the Board should set AEY's ROE equivalent to the current ROE for Maritime Electric,[108] the NDP states that "Mr. Trogonoski could not provide a clear answer on [*sic*] AEY should receive a higher risk premium than [Maritime Electric] when he has present [*sic*] them as being similarly risky to AEY."[109] To the contrary, in response to repeated questions from the NDP at the hearing, Mr. Trogonoski provided a clear explanation that Maritime Electric's authorized ROE of 9.35% is based on a negotiated settlement. The Board has recognized that ROEs based on negotiated settlements are not appropriately considered in the ROE assessment. In AEY's 2016-2017 GRA, the Board found as follows:

> Further, in terms of comparisons to Maritime Electric, the Board notes that its ROE was determined through a settlement agreement. There is no evidence on the record of this proceeding indicating the trade-offs that may have occurred during the negotiation process or how the ROE level was determined. As a result, the Board gives little weight to the ROE determined by way of a settlement agreement.[110]

58. The NDP's suggestion that "a settlement would have allowed [Maritime Electric] considerably more sway in the outcome than through a board order" is unsubstantiated and

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[108] NDP Argument at para 40.
[109] NDP Argument at para 37.
[110] Board Order 2017-01, Appendix A – Reasons for Decision, para 214, p. 44 **[TAB 5]**.

unsupported by any information about the negotiated settlement process which led to the Maritime Electric ROE. Respectfully, the NDP's assertions in this matter appear to be based on a lack of familiarity with, and misunderstanding of, negotiated settlement processes, and should be disregarded by the Board.

59. The Risk Assessment found that Maritime Electric has *similar* risk to AEY, and not comparable risk as the NDP suggests.[111] Maritime Electric is approximately 4 times larger than AEY in terms of both customers and rate base.[112] Concentric noted at the hearing that, as a larger company, they would have lower risk than AEY from a size perspective, and could be said to have similar or slightly lower risk than AEY overall.[113] As explained during the hearing, the Concentric recommendation for Maritime Electric was an ROE of 9.95% based on market data at the time of its analysis in that case, which Concentric considered to be a conservative recommendation given Maritime Electric's size compared with its peer group.[114]

60. The NDP Argument also contains reference to the recent GCOC decision issued by the AUC in order to support the NDP's assertions regarding cost of capital and the risk premium that Concentric has recommended for AEY.[115] The NDP's position on cost of capital represents a significant departure from the way that AEY's cost of capital has historically been determined by the Board, and is not supported by any evidence. The Board has historically seen fit to rely on the BCUC GCOC process and benchmark utility when setting AEY's ROE. AEY submits that the Board should maintain this practice in this case.

61. The NDP's comparisons to Alberta utilities and the Alberta GCOC proceeding should be disregarded, particularly considering that:

- The NDP's assertion at paragraph 26 that FEI and FBC have higher cost of access to capital than AEY is not supported by any evidence on the record. In fact, at the hearing, Mr. Trogonoski stated:

> So among the companies on exhibit JPT2, ATCO Electric Yukon obviously is part of a larger company. Fortis BC Energy and Fortis BC Electric are both part of a

[111] NDP Argument, para. 40.
[112] Exhibit B-11.1, Line 9.
[113] Transcript, Vol. 3, PDF p. 190, line 23 to PDF p. 191, line 7.
[114] Transcript, Vol. 3, PDF p. 189, lines 15-17 and PDF p. 193, lines 14-25.
[115] NDP Argument, paras. 25-28.

> larger holding company, as is Newfoundland Power and Maritime Electric, ATCO Electric distribution, and Pacific Northern Gas West. So all the companies that we have in our comparator group are part of a larger either owner or holding company.[116]

- The NDP's suggestion at paragraph 27 of the NDP Argument that the "reduced costs that AEY receives through CUI makes it more comparable to larger utilities in Alberta than the small sized BC utilities who raise their capital independently" is directly controverted by the independent expert evidence of Concentric, as set out above, as well as the Board's historical practice of assessing AEY's ROE in comparison to the BCUC benchmark. Concentric undertook a full financial and business risk analysis of AEY, which included consideration of the factors that the NDP seeks to rely upon to reduce AEY's ROE to a level that is not reasonable and will not provide AEY with a reasonable opportunity to earn a fair return.

- With respect to the NDP's comments that there are no comparable Alberta-based utilities in Exhibit JPT-2,[117] AEY notes that the Concentric Risk Assessment did consider AEY's level of business risk in comparison to ATCO Electric Distribution, finding that it is approximately 12 times larger than AEY in terms of customers served, and 24 times larger in terms of rate base.[118]

- In the Alberta GCOC proceeding, which involved larger utilities that are not comparable to AEY, the AUC decided to maintain an ROE of 8.5% in establishing cost-of-capital parameters for 2023,[119] as noted by the NDP.[120] However, in its second, more recent GCOC decision, the AUC set a notional ROE of 9.0% for the Alberta utilities.[121]

62. At paragraphs 42 to 45, the NDP Argument states that the Board should not accept that AEY's risk associated with energy transition has increased since the 2016-2017 GRA. As noted above, the primary driver for Concentric's recommendation of a 75 basis point risk premium is AEY's very small size, which the NDP does not address. However, the NDP's statements on energy transition are based solely on its suggestion that the IPP and micro-generation programs had been

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[116] Transcript, Vol. 3, PDF p. 185, lines 5-12.
[117] NDP Argument at para 27, discussion Exhibit B-11.1
[118] Exhibit B-1, Risk Assessment, PDF pp. 143-44.
[119] AUC, Decision 27084-D01-2022 (March 31, 2022), para. 55, PDF p. 15 **[TAB 6]**.
[120] NDP Argument, para. 27.
[121] AUC, Decision 27084-D02-2023 (October 9, 2023), para. 115, PDF p. 30 **[TAB 7]**. See also para. 179, PDF p. 44.

initiated at the time of the 2016-2017 GRA, and ignore the significant evidence on the record with respect to other aspects of energy transition that have arisen in recent years, including other federal and territorial policies on decarbonization and electrification.[122] As noted by Mr. Trogonoski at the hearing, this is also a greater consideration for investors than it was at the time of AEY's 2016-2017 GRA.[123] AEY's risk from energy transition includes the need for elevated capital spending to respond to changing behavioural and policy conditions and, accordingly, AEY must offer a competitive return to attract necessary funding.[124]

63. At paragraph 35 of the NDP Argument, the NDP suggests that the relationship between YEC and its owners (the government) is similar to the relationship between AEY and its parent company. As noted above, AEY must still compete for capital by offering a fair return that reflects the specific business and operating risks of the company, particularly its extremely small size. The NDP's suggestion demonstrates a misunderstanding of the nature of AEY's business and the considerations of the marketplace with respect to business risk, and is entirely unsubstantiated.

5. Specific Reply to Yee Argument

(a) Implementation of AMI and TOU Rates

64. At paragraph 61 of the Yee Argument, Mr. Yee recommends that the Board direct AEY to provide a plan and schedule for the implementation of AMI and TOU rates. As discussed at the hearing and in the AEY Argument, AEY is considering a phased approach to AMI deployment, and the AMI program proposed in this Application will assist in AEY's assessment of a larger AMI deployment strategy.[125] It also has potential to assist with demand management, and Mr. Massie indicated at the hearing that AEY has had a number of discussions with YEC with respect to this initial phase of AMI.[126] AEY notes that any plan or proceeding related to the implementation of TOU rates would likely be a longer-term process that would need to involve YEC, and may require changes to relevant legislation such as OIC 1995/90.

[122] E.g., Exhibit B-1, Section 1B, starting at PDF p. 21; see also the discussion of these risks in the AEY Argument at paras. 83-86.
[123] Transcript, Vol. 3, PDF p. 158, line 24 to PDF p. 159, line 4.
[124] AEY Argument, para. 83.
[125] AEY Argument at paras 123-24.
[126] Transcript, Vol. 1, PDF p. 55, lines 4-18.

III. CONCLUSIONS AND RELIEF SOUGHT

65. As set out above and in the AEY Argument, AEY has provided comprehensive and reliable evidence in this proceeding which should form the basis of the Board's determination on the approvals that AEY has requested, as set out in paragraphs 2 and 138 of the AEY Argument.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of December, 2023.

BENNETT JONES LLP

Per: ______________________________
Tim Myers / Erin Anderson
Counsel for ATCO Electric Yukon