

September 28, 2023

AEY-NY-001

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-001

Topic: Billing and Riders:

Preamble: In the 2023 AEY and YEC Rate Rebasing proceeding, the Utilities proposed rolling Rider R into base rates on billing statements. Now that Rider R will be changing,

Requests:

- (a) Is rolling Rider R into base rates still the intention?
- (b) When is this change expected to happen?
- (c) Will further and future changes to Rider R be reflected in changes in base rates on billing statements, or broken out separately?

Response:

- (a) Yes. As proposed and approved in the “AEY and YEC Rate Rebasing” proceeding and subsequent Board Order 2023-08, Riders R and J are considered “Base rate adjustment riders” and will be incorporated into base rates on the billing statement.
- (b) As proposed and approved in the “AEY and YEC Rate Rebasing” proceeding, the bill adjustment would be implemented following a three-to-six-month stabilization period after the new billing system is in place. Accordingly, the change is expected to occur in Q1 of 2024.
- (c) AEY expects that future changes to Rider R will be rolled into base rates on the billing statements.

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AEY-NY-002

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-002

Topic: Billing and Riders

Requests:

Concerning Rider R, as this is an AEY issue and an AEY GRA, why are customers who deal exclusively with YEC subject to this and other AEY riders? As a YEC customer, why am I paying AEY rate increases? (Riders R and S)

Response:

Please refer to the response to AEY-UCG-003(c).

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AEY-NY-003

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-003

Topic: Billing and Riders

Preamble: In the 2023 Rebasing proceeding, the Utilities claimed that removing Riders R & J from the billing statement would improve readability, reduce customer confusion, etc.

Requests:

- (a) Given that AEY is now adding riders (Rider S), does AEY expect increased customer confusion, increased billing statement complexity and reduced readability?
- (b) What steps will AEY be taking to mitigate this?

Response:

(a-b) As proposed and approved in the “AEY and YEC Rate Rebasing” proceeding and subsequent Board Order 2023-08, Rider S is considered a “Stabilizing mechanism”, as it is temporary in nature and infrequent. As such, this rider will not be incorporated into base rates on the billing statement. In Appendix A to Board Order 2023-08, the Board stated that the proposed option of rolling only Riders R and J into the base rates on the statement “is a step toward reducing confusion of customers’ bills and increasing customers’ understanding of their bills”.

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AEY-NY-004

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-004

Topic: Billing and Riders

Reference: Please provide a mock up or sample billing statement that includes a summary with the actual cost per kwh and fixed monthly charge inclusive of all of the riders. An example is provided below, which I hope can be improved on by AEY.

My idea is to show the effect of the individual Riders as currently shown on billing statements (the status quo), and a more understandable summary in parallel. In my example I have simply added the summary to the left of the current billing statement. The best of both worlds?

My first take:

Adding this readable summary to the left of... the current billing statement here:

Current Charges Inclusive of Riders		CURRENT CHARGES DETAILS	
Monthly Customer Charge Including Riders	21.37	CUSTOMER CHARGE	14.65
Energy Charge Including Riders (248 kwh @ .1708 per kwh) (0 kwh @ .1825 per kwh) (0 kwh @ .1992 per kwh)	42.36	ENERGY CHARGE	30.10
		AEY TEMPORARY RATE ADJUSTMENT	0.12CR
		FUEL ADJUSTMENT RIDER	4.06
		YEC TEMPORARY RATE TRUE UP	1.35
		YECL RATE ADJUSTMENT RIDER	3.71
		YUKON ENERGY REVENUE SHORTFALL RIDER	15.59
		YUKON INTERIM ELECTRICAL REBATE	5.61CR
Sub-Total	63.73	SUB-TOTAL	63.73
GST	3.19	GST	3.19
Current Billing	66.92	CURRENT BILLING	66.92
Amount Due	66.92	AMOUNT DUE	66.92

Request:

For this IR, we can assume that AEY has been directed to provide this information to customers. Is this the best way to do it? If not, please show what you would change and what would improve or replace the above example.

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AEY-NY-004

Response:

As proposed and approved in the “AEY and YEC Rate Rebased” proceeding and Board Order 2023-08,¹ a sample summary was provided in Section 3.4, Table 2 of the AEY/YEC submission, as shown below.

Table 2: The Rates and Riders for the Residential Customer Class under Option 4

	Residential	Option 1 - Status Quo	Option 4	Units
<u>Base Rates</u>				
A	Customer Charge	14.65	20.86	\$/month
B	Energy Block 1 (kWh)	12.14	17.28	cents/kWh
C	Energy Block 2 (kWh)	12.82	18.25	cents/kWh
D	Energy Block 3 (kWh)	13.99	19.92	cents/kWh
<u>Base Rate Adjustment Riders</u>				
Applies to A-D	YEC Rider J	34.08%	N/A	% of Base Bill
Applies to A-D	AEY Rider R	8.30%	N/A	% of Base Bill
<u>Stabilization mechanisms</u>				
Applies to energy	YEC & AEY Rider F	1.6350	1.6350	cents/kWh
Applies to energy	AEY Purchase Power			
	Adjustment Rider (Rider S)	0.0000	0.0000	cents/kWh
Applies to energy	YEC LWRP Rider (Rider E)	0.0000	0.0000	cents/kWh
<u>Temporary Riders</u>				
Applies to A-D	YEC Rider J1 - true-up	1.85%	1.85%	% of Base Bill
Applies to A-D	AEY Rate Relief Rider R1	-4.57%	-4.57%	% of Base Bill

In the Proceeding, the idea of a summarized charge per kWh was thoroughly discussed, evaluated and, ultimately, was not accepted by the Board. As approved in Board Order 2023-08, the more stable riders, Rider J and R, will be rolled into base rates on the statement, while other, more variable riders will continue to be displayed separately on the statement for greater transparency.

¹ Board Order 2023-08.

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-005

Topic: Billing and Riders

Request:

What are the advantages to the customer of being informed what they are actually paying for electricity – that is being told how much they are being charged per kwh and how much is a fixed monthly charge? Would this help customers make decisions about energy usage?

Response:

In the “AEY and YEC Rate Rebasing” proceeding, the idea of a summarized charge per kWh was thoroughly discussed, evaluated and, ultimately, was not accepted by the Board in Board Order 2023-08. As stated during the proceeding, given the complexity of variable and fixed components of utility rates, providing a total cost per kWh does not help customers make decisions about energy usage since this information misleads customers that all utility costs vary linearly with kWh. Furthermore, the total cost per kWh will vary between different customers, which could lead to greater confusion and an increase in customer service concerns.

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AEY-NY-006

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-006

Topic: Billing and Riders

Request:

Would it be useful for TOU billing and/or DSM for customers to know and understand how much they are paying per kwh?

Response:

Please refer to the response to AEY-NY-005.

September 28, 2023

AEY-NY-007

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-007

Topic: Billing and Riders

Request:

From a customer perspective, what are the advantages of NOT knowing the cost of electricity per kwh? (the status quo) How does it help the customer NOT to have this information on billing statements?

Response:

Please refer to the response to AEY-NY-005.

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AEY-NY-008

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-008

Topic: Billing and Riders

Request:

Does obscuring the fixed charge and cost per kwh from the customer serve the interest of general energy literacy?

Response:

Please refer to the response to AEY-NY-005.

**ATCO Electric Yukon (AEY)
2023-2024 General Rate Application (GRA)**

**Information Responses Round 1 to:
Nathaniel Yee (NY)
Received: September 6, 2023**

AEY-NY-009

Topic: Billing and Riders

Request:

What ideas does AEY have concerning making the Riders more understandable on billing statements? Please provide alternate or enhanced descriptions for all riders on the billing statement.

For example:

"FUEL ADJUSTMENT RIDER"	could become	"FUEL ADJUSTMENT RIDER (1.635 cents/kWh)"
and		
"YEC TEMPORARY RATE TRUE UP"	becomes	"YEC TEMPORARY RATE TRUE UP 1.85% of Base Bill"

Does AEY have better ideas for these? Please suggest improved text for each of the Riders shown on billing statements. This IR does not ask feasibility, but seeks new ideas to improve the customer experience. Some inspiration could be taken from the AEY online "Bill Calculator" in terms of showing the numbers.

Response:

AEY respectfully submits that changes to billing information and presentation have been fully addressed by the YUB in Board Order 2023-08 and that further discussion on such changes is beyond the scope of this Proceeding. AEY notes that it periodically reviews how bill statements are displayed and will consider making changes, as required and in collaboration with YEC, following a stabilization period of the new billing system.

**ATCO Electric Yukon (AEY)
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**Information Responses Round 1 to:
Nathaniel Yee (NY)
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AEY-NY-010

Topic: Billing and Riders

Request:

While a readable billing statement is preferred, the AEY online Bill Calculator is useful and does help in understanding how the Riders work. What are AEY's thoughts on including a summary that shows the actual monthly customer charge and actual energy charge inclusive of the Riders on the Bill Calculator? Additionally, the names of the riders on the Bill Calculator could link to the actual riders? Any further thoughts on how this could be improved while we wait for billing/statement improvements?

Response:

AEY respectfully submits that changes to AEY's online Bill Calculator are beyond the scope of this Proceeding and, pursuant to Rule 14(4)(a) of the YUB Rules of Practice, declines to provide the requested information. AEY notes that it periodically reviews the online Bill Calculator and will consider any required changes and improvements at the next reasonable opportunity.

**ATCO Electric Yukon (AEY)
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**Information Responses Round 1 to:
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AEY-NY-011

Topic: Billing and Riders

Request:

Estimated meter readings and billing statements: In the course of looking at billing and rates I noticed that varying energy rates combined with estimated meter readings can lead to unintended effects on customer charges. As an example, if the customer has used more power than is in on estimated bill, the eventual charges for this energy will reflect the rate in effect at the time the meter is read rather than when the energy was actually used. This is a problem that occurs with the combination of varying rates and estimated meter readings. How does AEY propose to fix this issue?

Response:

In most circumstances, AEY strives to manually read meters on a monthly basis. When AEY cannot manually read a meter, AEY uses estimated meter reads, in accordance with its approved Terms and Conditions of Service (T&Cs). Estimates are based on a site's specific annual usage data, pro-rated by the number of days in the billing period. Estimates are an accepted utility practice to help prevent large swings in customer bills, if a manual read cannot be undertaken in a specific month. If a customer has concerns about their estimated meter reads, they may contact AEY's customer service team. AEY's staff are committed to working quickly with customers to address any issues to the customer's satisfaction. AEY also provides customers with the opportunity to submit their meter reading via our website.

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**Information Responses Round 1 to:
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AEY-NY-012

Topic: IPP, Micro-Generation, DSM

Request:

Are IPP and MG program incentives similar for power produced in summer and in winter?

Response:

AEY's interpretation of incentive is that there is a preferred price per kWh or increased company contribution for the program. There are no incentives provided by AEY for the MG program because this is a Government of Yukon supported program. The IPPs in our AEY's isolated generation communities do not receive any incentives from AEY, because these projects are fully contributed by the IPP. As AEY's isolated communities are supplied by diesel generation at all times, the price per kWh for IPP's does not seasonally change.

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**Information Responses Round 1 to:
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AEY-NY-013

Topic: IPP, Micro-Generation, DSM

Request:

Given that there is a surplus of hydro power on the YIS in the summer months, is there any benefit to IPP and MG programs that produce only in warmer and sunnier months?

Response:

There is limited benefit for intermittent renewable energy to displace surplus hydro generation that is available at a low cost of production in summer months. YEC is the main generator on the YIS and, as such, is better positioned to define the benefits of displacing surplus hydro generation. AEY notes that as the YIS peak demand continues to grow alignment with electrical heating in the winter months, when a majority of the currently installed micro-generation is not available, the benefits of intermittent renewable energy are diminished further.

AEY notes that IPP and MG installations are able to produce energy year-round (*i.e.*, not only in warmer and sunnier months), dependent on the type of renewable technology. As discussed in the response to AEY-JM-009(d), all forecast micro-generation offsets AEY's power purchases, which lowers AEY's revenue requirement. At the same time, unused hydro energy decreases YEC's sales, which can decrease YEC's revenue requirement.

Overall, currently, it is difficult for AEY to identify an obvious, material, and tangible benefit for lower hydro sales which are displaced by IPP and MG generation in the summer months.

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**Information Responses Round 1 to:
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AEY-NY-014

Topic: IPP, Micro-Generation, DSM

Request:

What projects are on the horizon for energy storage? (batteries, pumped storage, etc.?)

Response:

AEY is not forecasting any stand-alone energy storage projects in the Test Period. AEY has worked in partnership with three Yukon First Nations that are implementing IPP projects, which include battery storage, for the communities of Beaver Creek, Destruction Bay/Burwash Landing and Watson Lake. The BESS is required as each of these projects is designed to supply 100 percent of community electrical load for periods of time from intermittent renewable electricity. The BESS ensures the transition and coordination with AEY's diesel power does not affect grid reliability. These IPP projects are designed to significantly reduce diesel emissions for electricity production.

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**Information Responses Round 1 to:
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AEY-NY-015

Topic: IPP, Micro-Generation, DSM

Request:

What projects are in the works or on the horizon for DSM?

Response:

AEY is not forecasting any specific projects for DSM in the Test Period. As part of the Grid Modernization initiative, AEY is exploring options to use the AMI communication network to manage various devices on the grid (including loads) during power quality and outage events. AEY will continue to work with the DSM working group on a coordinated approach to DSM.

**ATCO Electric Yukon (AEY)
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AEY-NY-016

Topic: IPP, Micro-Generation, DSM

Request:

Has there been any consideration of SSM? Voltage optimization? Other technologies?

Response:

AEY is unclear on what the term “SSM” is intended to refer to, or what “other technologies” the request may be contemplating. Voltage optimization is standard practice within utilities and AEY continues to implement this practice.

As noted in section 1B of the Application. AEY is undertaking steps towards Grid Modernization. These steps are required to maintain service quality including the reliable, safe and economic operation of AEY’s distribution system in light of the evolution of customer behaviors, and the challenges presented as a result of the distribution system’s increasing size, changing utilization and complexity. Grid Modernization is increasingly recognized within the utility industry as a necessary response to changing Government policies, technologies, and customer behaviors since they will fundamentally alter the future operation of the distribution grid. These changes are driving new challenges for utilities such as bidirectional flow of power and a significant potential for localized demand spikes that cannot be ignored. One example is the AMI program. Please refer to the response to AEY-YUB-065 for further details.

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**Information Responses Round 1 to:
Nathaniel Yee (NY)
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AEY-NY-017

Topic: IPP, Micro-Generation, DSM

Request:

Are administration and implementation of IPP and MG programs similar on and off the YIS? What are the differences?

Response:

The administration of IPP and MG programs are similar on and off the YIS as they all adhere to the Yukon Government's IPP Policy and MG program. Notable differences include YEC as the Buyer on the YIS, AEY as the Buyer in the isolated communities, lack of payment for reduction in capital and maintenance on the YIS, and the annual CPI adjustment to the price of electricity. For MG, overall capacity limits for each remote system are established.

**ATCO Electric Yukon (AEY)
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**Information Responses Round 1 to:
Nathaniel Yee (NY)
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AEY-NY-018

Topic: IPP, Micro-Generation, DSM

Request:

What issues has AEY experienced with the IPP and MG programs, and what could be changed or improved to make it better or more efficient towards displacing thermal and non-renewable generation?

Response:

It is important to note that the IPP and MG programs were established as Yukon Government initiatives. As they were designed for non-utility participation in power generation, they do not precisely align with regulated utility responsibilities to provide a safe and reliable power supply or principles of ratemaking. It is also important to recognize the success of the MG and IPP programs in the Yukon. The uptake has been remarkable, and the Yukon is approaching its 2030 goal in Our Clean Future (OCF) of 7 MW of installed renewable capacity from the micro-generation program.

However, these programs create several challenges for the utilities and Yukon ratepayers, namely:

1. The MG program can drive rate increases, relative to a base case without the program, due to reduced sales by the utilities. Utility costs are collected on prospective ratemaking principles and the inclusion of non-utility generation makes forecasting more difficult.
2. The timing of most MG production occurs in warmer months of the year that mainly coincide with low grid loads and surplus availability of hydro generation. By contrast, MG production is lowest in the winter, where the marginal cost of energy is higher due to thermal generation. As the majority

of export energy from MG is available when excess hydro energy is available on the YIS for a low marginal cost, program participants are mainly drawing from the grid during periods when electricity is at a higher cost and contribute to system peak requirements. MG surplus export energy offers decreased grid value in summer months. This might lead to customer inequity between participating and non-participating.

3. The rapid expansion of intermittent renewable sources on the YIS is also creating reliability concerns. Generally, Distributed Energy Resources (DER) generation lacks the ancillary benefits, which are key to power quality and are standard with conventional forms of generation like hydro and thermal. In particular, intermittent renewable devices lack inertia and can contribute to, and compound, system disturbances, which could lead to additional outages. As these devices become more prevalent, solutions like those offered by the Grid Modernization program will become increasingly important to ensure the ongoing safety and reliability of the system.

AEY is collaborating with Yukon Government and Yukon Energy Corporation to further study and address the above issues to ensure that the YIS will be safe and reliable while still allowing intermittent renewable generation onto the grid to achieve the goals in Our Clean Future.