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Yukon Utilities Board
Box 3178
Whitehorse, YT
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Attn: Mr. Richard Buchan, Chair

Dear Mr. Buchan,

Re: ATCO Electric Yukon (AEY) 2023-2024 GRA interim refundable rate requests

In AEY's cover letter to their GRA (Application PDF pages 1 and 2) and in the first two pages of Section 13 (Application PDF pages 257 and 258) AEY requests approval to reduce Rider R from its present 8.30% to 6.68% for the period August 1, 2023, to December 31, 2023, a reduction of 1.62%. But based on Table 1 on PDF page 1 of the Application, with the cost of diesel fuel for 2023 included in 2023 costs (as it must be for the GRA to be complete), AEY actually needs an increase of 3.3% to rates to recover the actual costs projected to be incurred by AEY in 2023.

I submit to the YUB that it is wrong for AEY to exclude the actual fuel cost being incurred in 2023 from the calculation of rate changes required. There is nowhere in the Application that I see where AEY proposes to absorb the cost difference between the last YUB approved price of diesel fuel for AEY and the actual price of diesel fuel being paid by AEY in 2023. So unless I am wrong in that finding, AEY will be passing on that cost difference to ratepayers in this 2-year GRA period. This means that consumer rates (including Rider R and a true-up Rider) in 2024, and beyond if there is a true-up that goes beyond 2024, will be higher if the requested rate reduction is implemented and lower if it is not implemented. Obviously contrary to the AEY comment that the rate reduction "will result in minimizing future true-ups and promoting rate stability", rate stability will actually decrease; short term rates will go down, but future rate increases must be larger to recover the temporarily foregone revenue from 2023. This effect on ratepayers will be exacerbated because the larger rate increase would start January 1, 2024, during the coldest time of year when electricity requirements by residential ratepayers is at its highest and the billing period is at its longest. A true-up collection rider, if ultimately considered necessary by the Board, can start later in the year when residential bills are generally lower.

The AEY Application contains very ambitious capital plans (approximately double the average annual expenditures since the last GRA in 2016). I do not believe that these are realistically achievable while being fiscally prudent. Other spending plans also appear to be higher than realistic and prudent. As a result my conclusion is that the revenue realistically required by

ATCO in 2023 and 2024 is lower than is being requested and that a lower 2024 rate increase would be adequate.

On the bases of the above analyses I recommend, on an interim refundable basis, that:

1. Rider R remain at 8.30% in 2023; and
2. effective January 1, 2024, Rider R should be increased by 2.50% from 8.30% at present to 10.80% rather than the increase to 13.50% requested by AEY (8.30% plus 5.20%).

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Maissan".

John Maissan