

**YUKON UTILITIES CONSUMERS' GROUP**

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August 4, 2023

Yukon Utilities Board

Box 31728

Whitehorse, Yukon Y1A 6L3

**Re: Atco Electric Yukon-2023-24 General Rates Application  
UCG Registration as Intervenor  
UCG Comments on Interim Riders**

Dear Ms. Lemke and Board Members:

The Yukon Utilities Consumers' Group (UCG) would like to register as an intervenor in the proceeding to review the 2023-24 General Rates Application submitted by Atco Electric Yukon (AEY). We plan to participate in all aspects of this rate hearing.

The nature of UCG's participation in this proceeding is to protect the interests of residential and small business consumers of electricity in the Yukon. Of particular concern is the proposed cumulative rate increase resulting from the forecast major growth in revenue requirement. Also, the inflated amounts of and overlap of capital expenditures, due to far too many years of non-regulation, driving rates in 2024.

UCG is concerned that AEY's application does not address cost of service, general rate design matters nor supply-side-management techniques that would require joint work with Yukon Energy Corporation to streamline our efficiencies. The lack of new terms of service is also a concern.

UCG is particularly interested in more fully understanding when and how ratepayers will be impacted, both short and long term, by the proposed revisions to rates; the alternatives utilized by the AEY to control costs and become more efficient in their operations; and the continued cross-company transactions.

UCG has retained the services of Roger Rondeau as a regulatory consultant for this proceeding given his experience in YUB proceedings including many previous general rate applications by both ATCO Electric Yukon and YEC.

UCG is again demonstrating what we have been disputing for years, i.e. that intervenors, utilities and the Board should rely on Yukon personnel rather than expensive outside consultants and legal advisers which drive up the costs of regulation with outsiders who have no connection to the Yukon. It is far past the time we take control of our own energy focused destiny.

Until more information is provided through the information request process, it is too early to tell whether UCG will need to submit additional evidence to be placed on the record.

Included in this notice of intervention letter is UCG submission on Interim Rates.

All communications related to this application and its review should be copied to [rroudeau@northwestel.net](mailto:rroudeau@northwestel.net)).

Regards,

Roger Rondeau

### **Yukon Utilities Consumers' Group (UCG) Submission on AEY Interim Riders**

1. *In Section 13 of this Application, AEY has requested approval of a 6.68 percent Interim Refundable Rate Rider (Rider R) for electrical consumption between August 1, 2023 and December 31, 2023. By implementing the rate adjustment on August 1, 2023, Rider R will refund approximately 40 percent of its forecast surplus in 2023. AEY submits that its proposal to refund approximately 40 percent of its forecast surplus is reasonable, similar to the approach approved by the Board for AEY's 2016 Interim Refundable Rider in Board Order 2016-02 and will reduce future true-ups. For this reason, AEY respectfully requests approval of Rider R by July 21, 2023, in order to implement the new Rider R on August 1, 2023.*
2. UCG submits seeing that AEY took all the surplus for their shareholders, for each of the last seven years, it is reasonable that AEY return all this 2022 surplus to their ratepayers.
3. Accordingly, Rider R be set to 4.25 on August 1, 2023. If 40 percent surplus gives a decrease of 1.62%, 100 percent of the surplus results in 4.05% decrease.
4. *Also, in Section 13, AEY is requesting approval for an Interim Refundable Rider R of 13.50 percent effective January 1, 2024. The derivation of the Rider R adjustment for 2024 is similar to the calculation for the proposed 2023 Rider R adjustment. Based on the expected timing of the Board Order and Compliance Filing to AEY's 2023-2024 GRA, being similar to AEY's 2016-2017 GRA process, AEY estimates that updated Rider R rate adjustments, in the middle of 2024, will result in minimizing future true-ups and promoting rate stability.*
5. At this time, UCG does not foresee the need for any interim rider set for January 1, 2024.
6. First, it is past the time for the Board not to condone the Utilities filing halfway through a test year.
7. Second, UCG submits it is also far past the time that the Board sets regular two-year test years to be convened every two years, directing the Utilities to file six months in advance of these test year periods to accommodate regulatory process and avoid lag and thus intergenerational retroactive rate setting. For example, AEY will need to file a 2025-26 GRA on or before June 30, 2024 and so on.
8. Third, this process should accommodate a decision by the Board by a set date. Time lags must be controlled by all parties, including the Board.
9. Setting a regulatory process every two years with applications directed for six months in advance, will soon result in a more efficient regulatory development while terminating time lags.
10. This will help control regulatory over earnings/surpluses by limiting gamesmanship by the Utilities.

11. As well, it will level out capital spending and make it easier to screen and scrutinize, as fewer project proposals at a time will come forward.
12. This will set precedent for the same two-year regulatory schedule for Yukon Energy.
13. The Utilities will scream out-of -scope and any other rationale to keep hold of their manipulation tactics.
14. If we must continue with the old, outdated cost-of-service model, then at least have a pro-active Board and regulatory process.