

A Submission to the Yukon Utilities Board
Regarding ATCO Electric Yukon and Yukon Energy regarding rate rebasing

From John Maissan

March 8, 2023

Mr. Chair, Board members, thank you for the opportunity to submit to you, the Yukon Utilities Board, my comments on the “rate rebasing” matter before you.

The option 4 presented by ATCO Electric Yukon (AEY) and Yukon Energy (together the utilities)

Based on the submission by the utilities to the Yukon Utilities Board (YUB or the Board) and the utilities responses to the IRs submitted by all parties I understand the following:

1. That option 4 is the least cost and most practical while achieving a measure of the Board’s desires.
2. That a new billing system will be implemented about Q3 2023 and the stabilization period will take about 3 to 6 months.
 - a. The new billing system will be capable of accommodating time of use (TOU) rates and that it will be capable of working with advanced metering infrastructure (AMI) when implemented.
3. That the utilities recommend waiting with the implementation of rate rebasing until the new billing system is in place and has been stabilized.

Recommendations:

My recommendations are that the Board accept option 4 as the most practical and cost effective for customers and that the Board accept that the utilities implement option 4 once the new billing system is in place and adequately stable for the implementation.

As a separate comment I would like to say that I am happy that the new billing system will be able to accommodate TOU rates and will be able to work with AMI.

Other related matters

In examining my most recent electricity bill I note that the AEY adjustment Rider R (a customer cost) and the AEY temporary rate adjustment Rider (a customer credit) are separate lines. When I accessed AEY’s bill calculator on March 7 (and previously), these two riders were combined into one smaller “cost” rider of 3.73%. This seems a simple and neat way to present this AEY adjustment on a bill too, and I would like to see the utilities combine these on customer bills as soon as practical, if possible before rate rebasing in the new billing system.

I would like to express my disappointment with the size of the present Rider F. Yukon Energy’s 2021 GRA application contained diesel and LNG fuel prices that were in effect in mid 2020 when the GRA

was prepared. Soon after that fuel prices started to climb significantly as the evidence record for the BESS proceeding before the Board early in 2021 showed. Prices increased further before the GRA hearing in September 2021. Order-In-Council 2021-16 dated February 11, 2021, added (among other sections) with regard to “Fuel costs and low water reserve account” Section 9 of which paragraph (3) states:

(3) *“For the purposes of subsection (2), **the Board** must determine the forecast fuel costs for a financial year of Yukon Energy Corporation by*

...

(c) *determining the costs of fuel for forecast thermal generation under paragraph (b) based on forecast prices for diesel fuel and natural gas as approved by the Board.”*

Emphasis added.

As a result of outdated fuel prices presented in Yukon Energy’s 2021 GRA and the Board not requiring updated price forecasts from Yukon Energy despite updated information available on the Board’s records, very outdated fuel prices were approved by the board. AEY’s fuel costs are also significantly out of date due to AEY not coming forward with a GRA since 2016/2017.

These factors have resulted in Rider F going from 0 cents per kWh in July 2022 (see the Q3 2022 Rider F report from the utilities) to 1.635 cents per kWh in January 2023 (see Rider F report of Q4 2022). This is equivalent to about a 10% increase in energy cost for a customer using 1,000 kWh per month and about an 8% increase in cost for energy in block 3. Such jumps in cost cannot be considered rate stability nor do they promote understanding of our electricity bills.

Recommendations:

- 1. That the Board orders the utilities to combine the AEY Rider R cost and rebate riders into one smaller cost Rider R on customer bills.**
- 2. That the Board requires both AEY and Yukon Energy to update their fuel price forecasts as a first step in every GRA hearing so that all customer energy costs are as realistically portrayed as possible and not passed on to customers at a later date through Rider F. In my view this is part of the Board’s responsibility as presented in OIC 2021-16.**

Respectfully submitted



John Maissan