

**ATCO Electric Yukon-Yukon Energy Corporation
Rate Rebasing**

**Yukon Utilities Board Information Request Round 1 to
ATCO Electric Yukon-Yukon Energy Corporation (AEY-YEC)**

1.

Reference: AEY-YEC January 9, 2023 rate rebasing joint submission, PDF page 3.

Issue: Current Billing System

Quote: The current billing system is beyond its useful life and any customization to the legacy billing system requires specialized knowledge and dedicated testing at significant financial expense. The Utilities can advise that a new billing system is expected to be in service in 2023, which has more flexibility to accommodate changes. Accordingly, to avoid unnecessary expense, the Utilities are advising to implement changes after the new system is in service.

Request:

- (a) Please provide an expected date that the new billing system will be operational for the utilities.
- (b) Please provide a brief explanation of what the new billing system will be able to accomplish that cannot be met by the existing billing system.
- (c) Who is leading the work to develop or update the common billing system – YEC or AEY?

2.

Reference: AEY-YEC January 9, 2023 rate rebasing joint submission, PDF page 5.

Issue: Four options for rate rebasing

Preamble: Four options regarding rate rebasing are listed: status quo; roll base adjustment riders J and R into base rates; roll base adjustment riders J and R into base rates through a limited scope Phase 2 GRA; and roll base adjustment riders J and R into base rates on billing statements.

Request:

- (a) In each of the four options, and everything else being equal, will a customer's total bill vary from what the customer currently incurs? Please explain.
- (b) Please rank the four options in terms of incremental costs, both capital and operational.

3.

Reference: AEY-YEC January 9, 2023 rate rebasing joint submission, PDF page 5.

Issue: Option 2: roll base adjustment riders J and R into base rates

Quote: Currently, Rider R and Rider J are separately tracked to their own respective general ledger accounts which allows for straightforward, clean, automatic revenue transfers between the Utilities. If Riders R and Rider J are incorporated directly into Base Rates, the Utilities would need to perform manual calculations to ‘unwind’ these amounts out of Base Rates in order to accurately determine necessary intercompany transfers.

Request:

- (a) Could the utilities create an automated reconciliation process rather than a manual process that is described as adding significant ongoing complexity? Please explain.
- (b) How could reconciliation errors be avoided?
- (c) What would be the approximate cost to implement an automated reconciliation system? Would such costs be double to represent costs for each utility? Please explain.
- (d) Under this option, the wholesale rate is not adjusted. Should the wholesale rate be adjusted? Please explain.
- (e) Please explain the consequences of not adjusting the wholesale rate.

4.

Reference: AEY-YEC January 9, 2023 rate rebasing joint submission, PDF page 6.

Issue: Option 3: roll base adjustment riders J and R into base rates through a limited scope Phase 2 GRA

Quote: Unlike Option 2, under this option, the Utilities must have approved revenue requirements with a common test year and also must file a limited scope Phase 2 GRA where the Base Rate adjustment riders Rider J and Rider R would be incorporated into Base Rates and the wholesale rate would be adjusted to recover YEC’s revenue shortfall resulting from the Base Rate adjustments [i.e., the Utilities do not track Rider R or Rider J and do not transfer the collections between utilities, but recover the costs through the base rates, including revised wholesale rate to compensate for lost Rider J revenues from AEY sales as OIC 1995/090 Section 7.1 requires that the wholesale rate “must be sufficient to enable Yukon Energy Corporation to recover its costs that are not recovered from its other customers.”].

Request:

- (a) If, in response to IR No. 2, that under any of the four options, a customer’s total bill will not vary, please explain any benefit with proceeding with this option.
- (b) At a high level, please explain the process involved in adjusting the wholesale rate.
- (c) Is there any long-term advantage of utilizing this option? Please explain.

5.

Reference: AEY-YEC January 9, 2023 rate rebasing joint submission, PDF pages 6-7.

Issue: Option 4 - roll base adjustment riders J and R into base rates on billing statements

Quote: Under this option, the Base Rate adjustment riders, Rider J and Rider R, would be incorporated into Base Rates only for bill statements. The Utilities would continue to track Rider R and Rider J separately on their own respective general ledger accounts which allows for straightforward, clean, automatic revenue transfers between the Utilities. The customer bill statements, however, would not show the Rider R or Rider J.

Request:

- (a) Under this option, is the wholesale rate adjusted? Please explain.
- (b) Please discuss the potential for rounding errors under this option.
- (c) Could this feature be included in the new billing system at the time of its in-service date? Please explain.
- (d) What additional steps would be involved in making this adjustment and why could it cost up to \$25k?