

Yukon Utilities Board

Board Order 2023-07

Appendix A: Reasons for Decision

April 4, 2023

1 INTRODUCTION

1. On July 29, 2022, Yukon Energy Corporation (YEC) filed correspondence with the Yukon Utilities Board (Board) entitled “2021 Low Water Reserve Fund Report and Energy Reconciliation Adjustment Filing”. The submission was pursuant to YEC’s LWRF Term Sheet as approved in Board Order 2022-07.
2. On January 29, 2023, the Board issued Board Order 2023-03 which considered the YEC submission as an application to be decided via written proceeding, pending Ministerial approval for such proceeding. Board Order 2023-07 also provided process steps for interested parties to provide comments on the application and for YEC to provide reply comments. For regulatory efficiency, the Board did not require registration from interested parties.
3. The Board received comments from John Maissan and the Utilities Consumers’ Group (UCG) by the date established in the process schedule and reply comments from YEC by February 8, 2023. Mr. Maissan provided further comments on February 9, 2023.
4. In making its decision, the Board has considered all relevant materials comprising the record of this proceeding, including the submissions provided by each party. Accordingly, references to specific parts of the record in this Appendix A: Reasons for Decision are intended to assist the reader in understanding the Board’s reasoning related to a particular matter and should not be taken as an indication that the Board did not consider all relevant portions of the record.
5. The Board considers the record of this proceeding closed as of February 9, 2023.

2 OVERVIEW OF THE APPLICATION

6. In its application, YEC sought approval for two proposals:
 - 1) Approval of LWRF transfers as well as LWRF balances as provided in Attachment 1 of the filing. The amount submitted by YEC of \$7.019 million is to be transferred from YEC into the LWRF providing a closing balance in the LWRF as at December 31, 2021 of \$2.744 million owed to customers.
 - 2) Approval of the ERA calculations and of a \$0.261-million ERA payment from ATCO Electric Yukon (AEY) to YEC for 2021.

LWRF Calculations and Balance Updates for 2021

7. YEC provided Attachment 1 containing Table 1-1 LWRF Calculations and Table 1-2 LWRF Continuity Schedule. The schedules were also provided in Excel format. Table 1-1 calculated an incremental YEC Thermal Generation Cost refund which shows that LTA thermal generation exceeds actual thermal generation for the 2021 actual load. Thus, YEC transferred a refund to the LWRF of \$7.019 million for the year 2021. Table 1-2 provides the balance in the LWRF as at December 31, 2021 after all LWRF transactions have been recorded.

2021 ERA Filing

8. YEC provided Attachment 2: 2021 ERA Filing, containing Table 2-1, ERA Determination for 2021. Table 2-1 calculated a charge to AEY of \$261,000.

Views of the Parties

John Maissan

9. Mr. Maissan requested copies or directions on where to find the LWRF continuity schedules for the years 2018 to 2020.
10. Mr. Maissan also had questions concerning fuel prices [both diesel and liquefied natural gas (LNG)], the fuel mix (diesel versus LNG), 2021 and 2022 actual thermal generation by fuel source, and the thermal fuel costs by source for capital projects, reserve for injuries and damages (RFID) and maintenance and the impact of those activities on the LWRF.
11. Additionally, Mr. Maissan inquired about the effect of rising fuel prices and who is responsible (ratepayers or shareholders) and, if approved thermal fuel prices were set at the 2021 actual average prices what the effect would have been on ratepayers.
12. Mr. Maissan had similar questions regarding the ERA.
13. Mr. Maissan's subsequent submission of February 9, 2023 noted that YEC responded that certain questions were outside of the scope of this proceeding and should be addressed through an appropriate General Rate Application (GRA). Mr. Maissan contended that he could not find his requested information in the transcripts from the 2021 GRA proceeding and was seeking direction on where to find the information he was seeking.

UCG

14. The UCG submission of February 3, 2023 contained five discussion items:
- 1) An inability to locate information regarding the 2020 LWRF.
 - 2) Clarity regarding LWRF transactions prior to 2021.
 - 3) Further understanding of the dollar amounts included in the 2021 LWRF application.
 - 4) A July 29, 2023 report on the Board website with a 2022 forecast does not match the 2021 annual report.
 - 5) Information regarding the 2022 LWRF filing.

YEC

15. YEC replied to the UCG comments by reiterating that the Application has a specific scope of one specific year – 2021. YEC also provided information regarding where the years 2019 and 2020 are located and provided further clarity on how to read Tables 1-1 and 1-2 in Attachment 1 of the application.
16. In response to Mr. Maissan, YEC provided information on where LWRF continuity schedules for the years 2017-2020 were located. YEC then responded that questions regarding fuel prices and fuel mix were outside the scope of this proceeding and are considered a GRA issue.
17. YEC concluded by explaining that costs related to thermal fuel prices and thermal fuel mix that are charged to capital RFID and maintenance reasons are based on GRA-approved fuel prices and thermal fuel mix. Changes in fuel prices from GRA approved levels flow through to ratepayers via Rider F.

Views of the Board

Scope

18. The Board has the jurisdiction to make decisions on applications before it. In this application, the relief requested is for approval of the 2021 LWRF transactions, the 2021 LWRF balance at the end of 2021 and the 2021 ERA charge from YEC to AEY.

LWRF

19. The Board has reviewed the application and the subsequent submissions from all parties and has checked the calculations contained in Tables 1-1 and 1-2 of the application. The Board finds that the LWRF calculations are consistent with the Term Sheet approved in Board Order 2022-07¹ and accordingly approves the 2021 LWRF report as filed.

ERA

20. The Board has reviewed the application and the subsequent submissions from all parties and has checked the calculations contained in Table 2-1 of the application. The Board finds the ERA calculation appropriate and approves the ERA charge from YEC to AEY as requested.

Mr. Maissan's Questions

21. Mr. Maissan queried the location of certain information pertaining to the LWRF terms sheet and calculations. The LWRF Term sheet and reports were provided as an April 8, 2021 submission in YEC's 2021 GRA. More information can be found on these issues in the responses to IRs including but not limited to the following IRs CW-YEC-1-23, NY-YEC-1-14 and -15, UCG-YEC-1-6 and -9 and YUB-YEC-1-28, -32, -33 and -34. Further, these issues were extensively examined in YEC's 2017-2018 GRA and related compliance filings.

Other Matters

22. The Board is concerned with the increase in Parties making inquiries or providing comments via e-mail. The Board emphasizes that the preferred method for communications that are to be part of the record for any proceeding before the Board is via PDF documents. Parties are expected to adhere to this protocol.

¹ Board Order 2022-07, YEC 2021 GRA Compliance Filing, page 2 of 2.