

Yukon Utilities Board

Board Order 2023-08

Appendix A: Reasons for Decision

April 17, 2023

1 INTRODUCTION

1. On January 9, 2023, ATCO Electric Yukon (AEY) and Yukon Energy Corporation (YEC) (jointly “the Utilities”) provided a submission (the Application) to the Yukon Utilities Board (Board) outlining four options and providing a recommendation that would incorporate various rate riders into existing base rates. The submission was titled “ATCO Electric Yukon and Yukon Energy Corporation Joint Submission in response to YUB Order 2022-07 Directive on Rate Rebasing”. The referenced direction from Board Order 2022-07¹ states:

The Board is concerned that customers may find the application of YEC’s and AEY’s riders to be confusing. Therefore, the Board directs YEC and AEY to provide, within 180 days of issuance of this Order, a proposal to the Board on incorporating these riders into existing base rates.²
2. On January 20, 2023, the Board issued Board Order 2023-04, which outlined a process for the Utilities’ joint submission on rate rebasing. The process steps included Information Requests (IRs) to the Utilities, IR responses from the Utilities, final written submissions from interested parties and final written submissions from the Utilities. For regulatory efficiency, the Board did not require registration from interested parties.
3. The Minister of Justice provided approval for the proceeding on February 14, 2023.
4. Participants in the proceeding were the Utilities, John Maissan, Nathaniel Yee, and the Utilities Consumers’ Group (UCG). IRs were submitted to the Utilities by February 15, 2023, IR responses were received from the Utilities by March 1, 2023, final comments from interested parties occurred by March 9, 2023 and reply comments were received from the Utilities on March 15, 2023.
5. 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.
6. The Board considers the record of this proceeding closed as of March 15, 2023. The Board will have further comments on process in a subsequent section of this decision.

¹ Board Order 2022-07, YEC 2021 GRA Compliance Filing, July 12, 2022.

² Appendix A to Board Order 2022-07, PDF page 5, paragraph 19 .

2 OVERVIEW OF THE APPLICATION

7. In the Application, the Utilities provided a brief description of the current billing system and existing rates and riders.
8. Utility rates in Yukon are applied on a postage stamp basis, meaning both share common rate schedules that apply to all ratepayers in Yukon. Regardless of which utility provides the service, the common rate schedule applies. Further, the Utilities share a common billing system for non-industrial customers and the Application advises that the Utilities are of the view that the existing billing system is at end-of-life and a new billing system is expected to be in service in 2023. Because of the change in billing systems, the Utilities recommend that any changes affecting customer bills as a result of this Application should occur after the billing system is in place.
9. The Application identified four categories of charges currently shown on customer bills:
 - (1) Base rates — Base rates include monthly fixed customer charges, energy and demand rates based on usage. The base rates were last approved in Board Order 2011-05 based on a joint Phase 2 General Rate Application (GRA) by the Utilities.
 - (2) Base rate adjustment riders (AEY Rider R and YEC Rider J) — Rider R and Rider J apply on base rates as percentages in accordance with Order-in-Council (OIC) 1995/90. These riders are charged to customers based on YUB's approval following the review of Phase 1 GRAs.
 - (3) Stabilization mechanisms and other riders — These include the Fuel Adjustment Rider (Rider F), the Purchase Power Adjustment Rider (Rider S), the LWRF Rider (Rider E) and other temporary riders such as true-up Rider J1 and Rider R1.
 - (4) Government subsidies — These bill adjustments reflect government subsidies, such as the Interim Electrical Rebate and the Yukon Government Inflation Relief Rebate, and apply in accordance with government directions.³
10. The Utilities proposed the following four options. Each of these options are described below.
 - (1) Maintain the status quo;
 - (2) Roll base rate adjustment riders (Riders J and R) into base rates;
 - (3) Roll base rate adjustment riders (Riders J and R) into base rates through a limited scope Phase 2 GRA; and

³ AEY and YEC Submission, January 9, 2023, PDF pages 3-4.

(4) Roll base rate adjustment riders (Riders J and R) into base rates on the billing statements.⁴

Option 1: Maintain the status quo

11. This option provides no changes to existing rates and riders. The benefits of this option were listed as no new costs to adjust the billing system, maximum transparency of cost sources and no additional regulatory burden. The drawback of this option is that current bill complexity remains. The Utilities did not recommend Option 1 as it does not respond to the direction from Board Order 2022-07.⁵

Option 2: Roll base rate adjustment riders (Riders J and R) into base rates

12. This option involves incorporating Rider J and Rider R into base rates without adjusting the wholesale rate. Remaining riders are not included in this option as they are not part of base rates. The Utilities noted that Rider J and Rider R are separately tracked to their own respective general ledger accounts, which allows for straightforward, clean, automatic revenue transfers between the Utilities. If Rider 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. These calculations would significantly increase in complexity with bill adjustments that span multiple periods, particularly when the riders have been adjusted. The manual calculations would reasonably be expected to significantly increase the likelihood of errors as well as costs for the Utilities.⁶

13. The benefit of this option is that it is responsive to the direction from Board Order 2022-07. The drawback of this option is the ongoing reconciliation complexity between the Utilities, the increased costs of those reconciliations and the increased risk of billing errors. The Utilities did not recommend this option due to the complexity and manual effort required to parse revenue between the Utilities in accordance with approved rider amounts.

Option 3: Roll base rate adjustment riders (Riders J and R) into base rates through a limited scope Phase 2 GRA

14. Like Option 2, this option only considers Riders J and R as the remaining riders are not part of base rates.

15. As the title suggests, a limited scope Phase 2 proceeding is required, and for this to occur, the Utilities are required to have an approved revenue requirement with a common test year. This option would include an adjustment to wholesale rates to

⁴ AEY and YEC Submission, January 9, 2023, PDF page 5.

⁵ AEY and YEC Submission, January 9, 2023, PDF page 5.

⁶ AEY and YEC Submission, January 9, 2023, PDF page 5.

enable YEC to recover any revenue shortfall resulting from the base rate adjustments. This is necessary to conform with OIC 1995/090, Section 7.1.⁷

16. The benefit of this option is that it addresses the direction from Board Order 2022-07. The drawback of this option is that it has significant regulatory costs from up to three regulatory proceedings,⁸ giving a temporary result until a separate GRA is filed by either of the Utilities.

17. The Utilities did not recommend this option as the costs would outweigh any benefit.

Option 4: Roll base rate adjustment riders (Riders J and R) into base rates on the billing statement only

18. This option rolls Riders J and R into base rates for billing statements only, and so these riders would no longer appear on customer bills. However, Riders J and R would still be tracked separately on their own general ledger accounts and automatic transfers between the Utilities would continue. All remaining riders would continue to show on the bills as a separate line item. The Utilities recommend that this option not be pursued until the new billing system is operational and will have an expected one-time capital cost of less than \$25,000.

19. The Utilities recommend proceeding with this option, as it addresses the direction from Board Order 2022-07 and the billing statement is less complex for ratepayers. The drawbacks identified with this option include the capital costs (>\$25,000) and that the implementation would be later in 2023.⁹

3 Views of the parties

John Maissan

20. Mr. Maissan stated that he understood the following regarding Option 4 as presented by the Utilities:

- (1) Option 4 is the least costly and most practical option to achieve the Board's direction.
- (2) The new billing system will be implemented about Q3 of 2023 and will require a stabilization period of 3 to 6 months.
- (3) The Utilities recommend delaying the implementation of Option 4 until the new billing system is in place and has been stabilized.¹⁰

⁷ AEY and YEC Submission, January 9, 2023, PDF page 6.

⁸ A Phase 1 GRA for each utility plus the Phase 2 joint proceeding.

⁹ AEY and YEC Submission, January 9, 2023, PDF pages 6-7.

¹⁰ John Maissan's March 8, 2023 Submission, PDF page 1.

21. Mr. Maissan recommended that the Board accept Option 4 and accept the Utilities' implementation plan with respect to Option 4.
22. Mr. Maissan made comments on other related matters. He recommended that AEY's Rider R and Rider R1 (Temporary Adjustment Rider) be combined as one line item as shown on AEY's bill calculator as soon as practical.
23. Further comments were provided by Mr. Maissan regarding fuel prices and Rider F, leading to his recommendation that the Board require both AEY and YEC to update their fuel price forecasts as a first step in every GRA hearing so that all customer energy costs are portrayed as realistically as possible and not passed on to customers at a later date through Rider F.¹¹

Nathaniel Yee

24. Mr. Yee commented that it is unclear how the proposals from the Utilities improve the situation as most riders remain on the bill. By focussing only on Riders J and R the Utilities are implying that the other riders do not cause confusion.¹²
25. Mr. Yee also submitted that Option 4 would produce a slightly different total bill to the customer than the status quo, noting that this is contrary to IR response AEY-YEC-YUB-02(a). Stating that the proposed changes are not likely to be noticed by most customers, Mr. Yee said that, from a customer perspective, all options maintain the status quo.¹³
26. Mr. Yee proposed that the Utilities include "Effective cost per kWh" on customer bills, submitting that it is important information as part of any Demand Side Management (DSM) program and would work well with Time of Use (TOU) rates.
27. Mr. Yee disagreed with the Utilities' position regarding costs varying linearly with kWh of energy consumed. He submitted adjustments to the wording for Rider F (Fuel Price Adjustment Rider) and Rider J1 (YEC Temporary Rate True-up).¹⁴
28. Mr. Yee provided further implementation ideas for making bills appear less confusing:
- Roll all riders into the customer and energy charges; and
 - Look at bill examples from other Canadian utilities where the billing statement is simpler or appears less confusing.

¹¹ John Maissan's March 8, 2023 Submission, PDF pages 1-2.

¹² Nathaniel Yee's March 8, 2023 Submission, PDF page 2

¹³ Nathaniel Yee's March 8, 2023 Submission, PDF pages 2-3.

¹⁴ Nathaniel Yee's March 8, 2023 Submission, PDF page 4, point 20.

29. He argued that it should be clear to customers how much they are being charged for each kWh of energy purchased and how much goes to fixed rate recovery. However, according to Mr. Yee, all the presented options provide the same negligible benefit and there is no reason to implement any of the options.¹⁵

30. Mr. Yee further commented that presenting options that are not viable or hold no value is a waste of Board and intervenor time. Further, showing Option 4 is better than Options 2 or 3 does not show that Option 4 is useful or worthwhile.

31. Mr. Yee also noted that secondary errors can occur through bill estimates. If actual customer consumption varies from estimated customer consumption and if rates change before the estimate is trued up to actual results, the rate the customer will pay is the rate in place at the time of energy true-up as opposed to the rate in place at the time of consumption.¹⁶

UCG

32. UCG provided an email submission on March 9, 2023. UCG made the following points in its submission:

- (1) The information collected on this issue is a fait accompli where the Utilities get what they want and, if there is something they do not like, it is out of scope.
- (2) Providing options and stating that only one is compatible is an act in futility for intervenors.
- (3) It is past time to get simultaneous applications from the Utilities to determine total costs to ratepayers, providing the opportunity to unbundle generation, transmission and distribution costs and move forward on an overdue Phase 2 process.
- (4) The problem of added rate adjustments would have been eliminated if each utility rolled all old riders into rate base each time there was a review or rate application.
- (5) Current bills do not tell consumers what they are paying for. So, instead of focusing on how to implement a new customer billing system, the Utilities should be resourceful on topics such as load shifting, the peak demand conundrum and seasonal rates.
- (6) Rate shock regarding Rider F (the fuel price rider) could be avoided by filing regular hearings with fuel price updates and then moving forward with true-ups one year at a time.
- (7) Riders should not be added to the customer charge, only to the energy charge. Estimated meter readings when trued up result in a skewed outcome for the various other riders on the bills.

¹⁵ Nathaniel Yee's March 8, 2023 Submission, PDF pages 3-5.

¹⁶ Nathaniel Yee's March 8, 2023 Submission, PDF pages 4-6.

AEY/YEC Reply

33. The Utilities submitted that the scope of the proceeding is narrow and must remain focused on addressing the Board's directive from Board Order 2022-07 which expressed a desire to reduce potential customer confusion around the application of riders by incorporating riders into existing base rates.¹⁷
34. The Utilities added that any discussion around fuel forecasts, Rider F, bill estimates or overall matters related to rate design should be regarded by the Board as beyond the scope of this proceeding, as well as lacking evidence on which to make a well-founded decision, and should therefore appropriately be disregarded when contemplating the proposal before the Board.¹⁸
35. The Utilities further responded to the comments of each of the interveners as follows.

Response to Mr. Maissan

36. The Utilities acknowledged that Mr. Maissan supported the Utilities' proposal to pursue Option 4.¹⁹
37. In response to Mr. Maissan's comments to combine AEY's Rider R with Rider R1 the Utilities responded that Rider R1 is categorized along with Stabilization Mechanisms and other riders which adjust more frequently than base rate adjustment riders. Rider R1 is currently scheduled to expire on March 31, 2023. The Utilities take the position that, with higher variability from month to month, increased transparency on these riders may allay some customer service concerns. As such, the Utilities only proposed to incorporate the more stable, less frequently adjusted riders – i.e., only the base rate adjustment riders – into base rates.²⁰ The Utilities requested that the Board deny Mr. Maissan's request to combine AEY Riders R and R1.
38. In response to Mr. Maissan's request that the Utilities update their fuel price forecasts as a first step in every GRA hearing, the Utilities responded that the proposal lacks clarity, appears to add additional process steps to rate applications which may cause delays and has not been tested. The Utilities submitted that this request is beyond the scope of this proceeding, does not have any supporting evidence and should be denied.²¹ YEC added that questions regarding fuel prices and fuel mix were outside the scope of this proceeding and are considered a GRA issue.

¹⁷ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 4.

¹⁸ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 4.

¹⁹ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 4.

²⁰ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 6.

²¹ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 8.

39. 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.

Response to Mr. Yee

40. In response to Mr. Yee's comments that Option 4 maintains the status quo and that the proposed change will affect customer bills, the Utilities stated that Option 4 addresses the Board's concern regarding the base rate adjustment riders, Rider J and Rider R. As discussed in response AEY-YEC-YUB-02, the Utilities submit that customers' total bills will remain the same, despite Mr. Yee's calculations.²²

41. Regarding Mr. Yee's suggestions that comments to provide greater detail on the riders be provided as well as an effective cost per kWh, the Utilities responded that utility service is more complex than a "payment per kWh" rate and that most utility costs are fixed, so providing a per kWh cost does not serve the interest of general energy literacy and promotes the idea that all utility costs vary linearly with kWh. Further, an "Effective Cost per kWh" will invariably differ between all customers and could introduce greater customer service complications and confusion if customers compare their effective costs per kWh.²³

42. On Mr. Yee's proposal that more description for line items on the customer bill is needed, the Utilities stated their view that adding elements to the bill display — like fixed and variable cost breakdown and providing more rider detail — typically adds considerable cost and could make the billing statement more complicated. Further, they believe that it is not clear if the proposed rider description enhancements described by Mr. Yee are possible within the billing system, as each line description is typically fixed, not dynamic.²⁴ The Utilities cited the response to IR AEY-YEC-NY-02 as support for this position. The Utilities submitted that Mr. Yee's proposals on descriptions do not respond to Board direction which focuses on incorporating riders into existing base rates.²⁵

43. With respect to the issue of combining all the riders into the customer and energy charges and providing explanations, the Utilities responded that adding elements to the bill display can add considerable costs. Likewise, the Utilities submitted that this proposal would add more lines and complexity to customers' bills — i.e., the total cost would appear to be presented twice under this option, and the original bill statement

²² AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 5.

²³ AEY/YEC Joint Reply Submission, March 15, 2023, PDF pages 6-7.

²⁴ AEY/YEC Joint Reply Submission, March 15, 2023, PDF pages 6-7.

²⁵ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 7, paragraph 23.

layout would still be provided. Accordingly, the Utilities requested that the Board deny this proposal.²⁶

Response to UCG

44. The Utilities stated that UCG did not directly comment on the proposals offered in the Application but noted that UCG stated that some problems would be eliminated if each utility had rolled all riders into the base rates each time there was a review. The Utilities interpreted this statement to mean that UCG was partially aligned with “Base Rate Adjustment Riders will be incorporated on statement display on an ongoing basis, following General Rate Applications.”²⁷ As a result, the Utilities considered that UCG seemed to partially support Option 4.²⁸

4 Views of the Board

Scope of the Proceeding

45. Paragraph 19 of Appendix A: Reasons for Decision to Board Order 2022-07 stated:

The Board is concerned that customers may find the application of YEC’s and AEY’s riders to be confusing. Therefore, the Board directs YEC and AEY to provide, within 180 days of issuance of this Order, a proposal to the Board on incorporating these riders into existing base rates.²⁹

46. The direction in Appendix A: Reasons for Decision to Board Order 2022-07 did not specifically refer to Riders J and R but was general in nature. Thus, the Board cannot agree with the Utilities that the Board directed the Utilities to consider only Riders J and R for incorporation into base rates. The direction was to look at all riders. However, the Utilities are correct that the Board requested a narrow scope application. The direction was not to re-open or re-examine fuel price or Rider F determinations, which are part of a general rate application. The topic of bill estimates is not part of the scope of this Application, nor are other rate design matters. The purpose of the Board’s direction was to reduce the confusion in customer bills and increase customers’ understanding of their bills.

Process

47. The Board finds it necessary to note that parties to a proceeding must adhere to the steps and the timelines set in the process schedule for a proceeding. This is to ensure fairness to all parties. The Board may extend or adjust timelines on a motion of a party, in accordance with the Board’s Rules of Practice. Parties cannot unilaterally alter the process schedule by making submissions which are outside the

²⁶ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 7, paragraph 26.

²⁷ AEY/YEC Joint Reply Submission, March 15, 2023, PDF pages 4-5.

²⁸ AEY/YEC Joint Reply Submission, March 15, 2023, PDF page 5, paragraph 14.

²⁹ Appendix A to Board Order 2022-07, PDF page 5, point 19.

process established for a proceeding. In this proceeding, Mr. Yee and UCG filed submissions in response to the Utilities' reply. Such submissions were not contemplated in the process schedule, and these parties did not request by way of motion permission to make such a filing. The Board considers that fairness dictates that these submissions are not part of the Board's deliberations on the Application.

48. The Board also wants to draw the parties' attention to the Board's concern 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. This is to ensure the integrity of those documents. Parties are expected to adhere to this protocol.³⁰

Proposals to incorporate riders into existing base rates

Option 1: Maintain the status quo

49. Although recognizing Option 1 as the lowest cost option³¹ and the option without incremental regulatory burden, the Board finds that this option fails to respond to the direction in question. This option does not reduce confusion regarding customer bills, nor does it increase consumer understanding on how costs on utility bills are determined.

Option 2: Roll base rate adjustment riders (Riders J and R) into base rates

50. As presented by the Utilities, Riders J and R would be rolled into base rates without any adjustments to the wholesale rate. This option is responsive to the direction. However, the Board notes that the Utilities submit that this method would require manual calculations to accurately determine necessary intercompany transfers and as such present an increased risk of error related to those intercompany account reconciliations and transactions. The Utilities stated that automating the reconciliation process is possible but would have significant capital and administrative costs. As a result, this option is considered the second most costly option to implement.³²

51. Although the Utilities stated that this option assumed no change to the wholesale rate,³³ the Board took note that the Utilities did not explain why the wholesale rate couldn't be adjusted or whether it was worthwhile to give this aspect further consideration. The Utilities did not pursue this option further as Option 4 was seen as superior and less costly. No party expressed support for this option.

³⁰ Appendix A to Board Order 2023-07, PDF page 5, point 22.

³¹ AEY-YEC-YUB-02(b), PDF page 17.

³² AEY-YEC-YUB-02(b), PDF page 17.

³³ AEY-YEC-YUB-03(a, d-e), PDF page 19.

52. It would have been helpful to the Board if the Utilities had explained the ramifications of a variant to this option which would have included adjustments to the wholesale rate. However, as presented, the Board accepts that this option is inferior in terms of costs and error risk. Therefore, the Board finds that this option is not acceptable.

Option 3: Roll base rate adjustment riders (Riders J and R) into base rates through a limited scope Phase 2 GRA

53. In the Board's view, this option presents the most technically accurate approach to the issue of billing accuracy and understandability of billing statements. The Board considers that the process for this option would involve both utilities submitting a same test year Phase 1 GRA to determine an accurate common test year revenue requirement and then a Phase 2 GRA which would include an updated cost of service study, an updated rate design and a review of the terms and conditions of service. Given that two Phase 1 GRAs and a Phase 2 GRA are costly proceedings would result in significant regulatory burden and the existence of OIC 1995/090 which limits any benefit of a Phase 2 proceeding, the Board finds the costs for this option far outweigh any benefit. Further, any benefit from this option is eliminated when one of the Utilities separately files a Phase 1 GRA following such proceedings.³⁴ UCG supported this option.³⁵ Based on costs, regulatory burden and limited benefits, the Board does not accept this option.

Option 4: Roll base rate adjustment Riders J and R into base rates on billing statements only

54. The Board considered that this option rolls Riders J and R into base rates for bill statement presentation only. Further, Riders J and R would be tracked separately on their own general ledger accounts and automatic transfers between the Utilities would continue. As such, there is no need for manual reconciliation. This option would remove Riders J and R from customer bills as they would be rolled in to base rates. However, all remaining riders would continue to show on the bills as separate line items.

³⁴ AEY-YEC-YUB-04(a & c), PDF page 22.

³⁵ UCG written submission, email March 9, 2023. Point 3 of the written submission wherein UCG stated "3. We are yet again missing a great opportunity to get things right for once. It is past the time that we get simultaneous rate applications from the utilities so we can see exactly what it is costing ratepayers right now. Each filing their submissions when and if they want needs to be stopped. (Somewhere in the toms of paper, the Board stated that rate applications should be filed every two years, but this has been conveniently blindsided by the utilities.) This is why ATCO did what they saw they could get away with, and to be blunt the Board let them do this for six years. A combined review would also afford the opportunity to unbundle generation, transmission and distribution revenues and costs for better transparency as well as to move forward to a Phase 2 process which is long overdue."

55. The Board took note of the four categories³⁶ of charges on customer bills and that three of the four categories (base rate adjustment riders, stabilization mechanisms and government subsidies) are either temporary in nature or subject to change at times other than GRA submissions. Further, in the Board's view, it is important that temporary rate adjustment riders, stabilization mechanisms and government subsidies be considered separate from base rates. The Board finds that concentrating on only those riders (Riders J and R) that affect base rates is the most useful in clarifying customer bills for the following reasons. This option eliminates two line items that appear on the customer bill and simplifies the overall presentation of the bill while not losing any important detail.
56. In addition, the Board considered that this is the second lowest cost option submitted by the Utilities but is the lowest cost option that is responsive to the direction from Board Order 2022-07. However, this option likely cannot be implemented until 3 to 6 months after commissioning of the new billing system (end of Q1 of 2024).
57. This option was supported by Mr. Maissan as the least costly and most practical solution, and he recommended that this option and the implementation timing for this option be approved by the Board.
58. Mr. Yee did not support this option or any of the options and stated that Option 4 would produce a slightly different result on the customer bill. The Board accepts the submissions of the Utilities that total charges on a customer bill will not differ from what is currently determined with the status quo option.
59. The Board does not accept the submission from Mr. Yee regarding effective cost per kWh because such an approach is misleading. Given the fixed cost component on a residential customer bill as depicted through the customer charge, showing an effective cost/kWh could lead to the expectation that if a customer reduced consumption by a given amount, then the customer bill would reduce by the effective cost/kWh multiplied by the amount of reduced consumption. Given the fixed costs included in the bill, this is unrealistic. However, a customer may determine their own effective cost/kWh by taking the total amount owing from that bill and dividing that total by the energy consumption for that billing period.
60. Mr. Yee suggested some minor wording changes for the descriptions for Rider F and the YEC Temporary Adjustment Rider.³⁷ The Board does not agree with the response from the Utilities on this point. The Utilities stated:

³⁶ AEY and YEC Submission, January 9, 2023, PDF page 3. The four categories are base rates, rate adjustment riders, stabilization mechanisms and government subsidies.

³⁷ Nathaniel Yee's March 8, 2023 Submission, PDF page 4, point 20.

As indicated in response to AEY-YEC-NY-02, adding elements to the bill display – like fixed & variable cost breakdown and providing more rider detail – typically adds considerable cost and could make the bill statement more complicated. Further, it is not clear if the proposed rider description enhancements described by Mr. Yee are possible within the billing system, as each line description is typically fixed, not dynamic.³⁸

However, under the new billing system (as opposed to the existing billing system) the Utilities have not demonstrated that adding a few words to the description of a rider is cost prohibitive. None the less, in the Board’s view, this is a GRA issue.

61. Mr. Yee stated a concern regarding billing estimates. The Board also views this as a GRA issue.

5. Conclusion

62. For the reasons set out above, the Board finds that Option 4 is the most practical approach to respond to the direction from Board Order 2022-07. The Board accepts Option 4 as submitted by the Utilities and the implementation timeline for this option as presented by the Utilities. The Board considers that Option 4 is a step toward reducing confusion of customer bills and increasing customers’ understanding of their bills. There may be an opportunity for additional customer input on billing and bill display matters when the Board has before it the details of AEY’s new billing system referenced in this Application.

³⁸ AEY/YEC Joint Reply Submission, March 15, 2023, PDF pages 6-7.