

Yukon Utilities Board Board Order 2024-06

Appendix A: Reasons for Decision

July 26, 2024

1 Introduction and Background

1. The Board received an application, dated June 28, 2024, from AEY pursuant to Board Order 2024-01, issued May 31, 2024. The application explained AEY's submissions regarding its compliance with the directions in Board Order 2024-01.
2. As part of AEY's compliance filing, AEY sought approval of the following Riders effective September 1, 2024:
 - Rider R (Rate Adjustment Rider): increase of 3.58 percent to set final Rider R Rate adjustment Rider to 14.38 percent.
 - Rider R1 (AEY Temporary Rate Adjustment Rider): decrease of -1.15 percent to refund AEY's over-collection (fuel variances, as well as changes between interim and final rates) over the twelve-month period of September 1, 2024 to August 31, 2025.
3. AEY requested Board approval for the two Riders by August 23, 2024 in order to allow sufficient time to test and implement the proposed Riders effective September 1, 2024.
4. Included in AEY's compliance filing were Attachment 2, representing AEY-YEC Rider R Schedule (effective September 1, 2024), and Attachment 3, representing AEY-YEC Rider R1 Schedule (effective September 1, 2024)
5. AEY stated that after complying with the Board directions in Board Order 2024-01 and considering the impact of interim rates approved in Board Order 2023-22 (dated September 15, 2023) there was a revenue surplus of \$284 for 2023, and a shortfall of \$4,623,000 for 2024. As a result, AEY proposed to set the ongoing Rider R rate to 14.28 per cent effective September 1, 2024.
6. Further, due to the timing of the compliance filing, adjustment of the Rider F (Fuel Price Rider) fuel balances, and interim Rider R collections from January 1, 2024 to August 31, 2024, resulted in a net surplus of \$899,000. AEY proposed to use Rider R1 Temporary Adjustment Rider to refund that surplus over the twelve-month period of September 1, 2024 to August 31, 2024, by setting Rider R1 to -1.15 per cent.
7. In addition to the rate adjustments noted above, Rider F (the Fuel Adjustment Rider) was set to \$0 per kWh effective January 1, 2024. The resetting of Rider F results in a Fuel Balance credit transfer of \$2,684,000. The credit arises from using fuel prices from the previous GRA in the determination of the Temporary Rate Adjustment Rider R1. AEY explained the credit transfer resets base fuel prices and heat rates used in Rider F determinations of Rider F shortfall/surplus balance beginning January 1, 2023.

8. AEY's compliance filing included corrections regarding ERA/IPP legal costs. The amount for each year (\$94,000) were originally recorded as positive amounts but were corrected to be recorded as negative amounts. The ERA/IPP legal costs for the 2024 test year were excluded in the total write-off amount in the October 30, 2024 filing but was corrected in the compliance filing.
9. For this proceeding, the Board issued Board Order 2024-05, dated July 5, 2024, setting a process whereby interveners were given the opportunity to provide comments on AEY's 2023-2024 GRA Compliance filing by July 15, 2024 and AEY was given the opportunity to reply to intervener comments by July 25, 2024.
10. No intervener comments were received by July 15, 2024. AEY submitted a letter to the Board on July 25, 2024 acknowledging that there were no intervener comments and provided a corrected Schedule 9.2. The correction fixed the capital descriptions in the schedule but did not impact any calculations or revenue requirement amounts.
11. The record for this proceeding closed on July 15, 2024.
12. In reaching the determinations contained within this Board Order, the Board has considered all relevant materials comprising the record of this proceeding. Accordingly, references in these reasons for decision to specific parts of the record 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 with respect to that matter.

2 Discussion

13. In its compliance filing, AEY responded to the 45 directions issued by the Board in Board Order 2024-01 Appendix A to Board Order 2024-01: Reasons for Decision.
14. Of the 45 directions given to AEY, two directly relate to future GRAs and the remaining 43 directions pertain to the compliance filing currently before the Board.
15. The Board has reviewed the compliance filing, including the directions given AEY, the reasonableness of the calculations in the submitted schedules, the corrected Schedule 9.2, and the responses to each of the directions. The Board finds that AEY has complied with the directions in Board Order 2024-01.
16. Accordingly, the Board approves Rider R (Rate Adjustment Rider) and Rider R1 (AEY Temporary Adjustment Rider) as provided by AEY effective September 1, 2024.
17. The Board approves the resetting of Rider F (Fuel Price Rider) as submitted by AEY.
18. The Board approves all corrections regarding ERA/IPP legal costs as submitted by AEY.