



2017-18 GRA

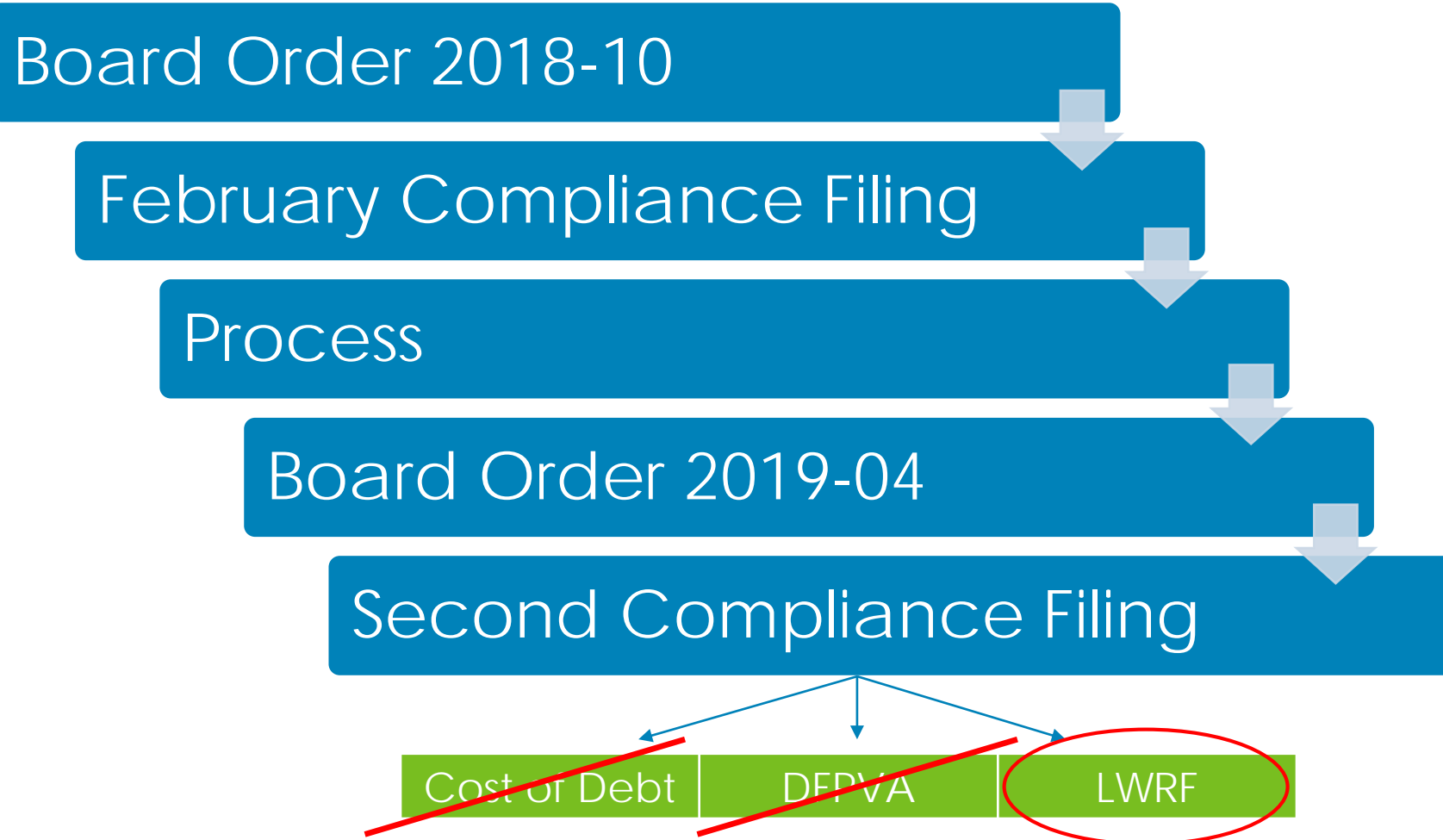
Technical Session

October 8, 2019



GRA 17/18

Current Status



Technical Session Objective

- Review principles and processes related to accounting for hydro generation water supply risk
 - Simple
 - Appropriate risk coverage

Principle

- The risk of cost impacts caused by variability in hydro generation water supply is borne by ratepayers

Applying the Principle

Two Step Process

- Rate Setting
- Deferral Account Reconciliation

Rate Setting

- Rates established based on generation forecasts that make some assumption about water conditions

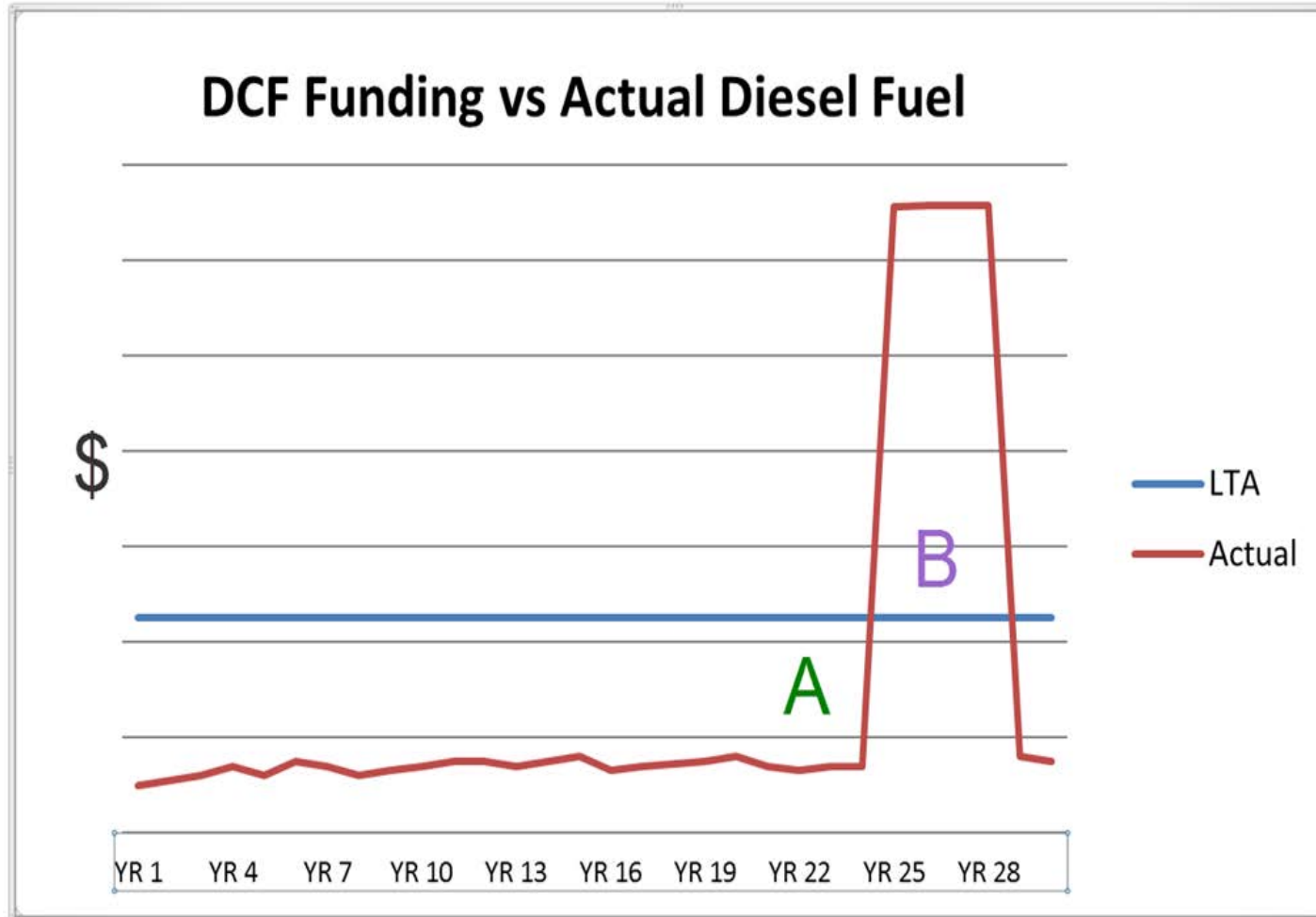
Short-term

versus

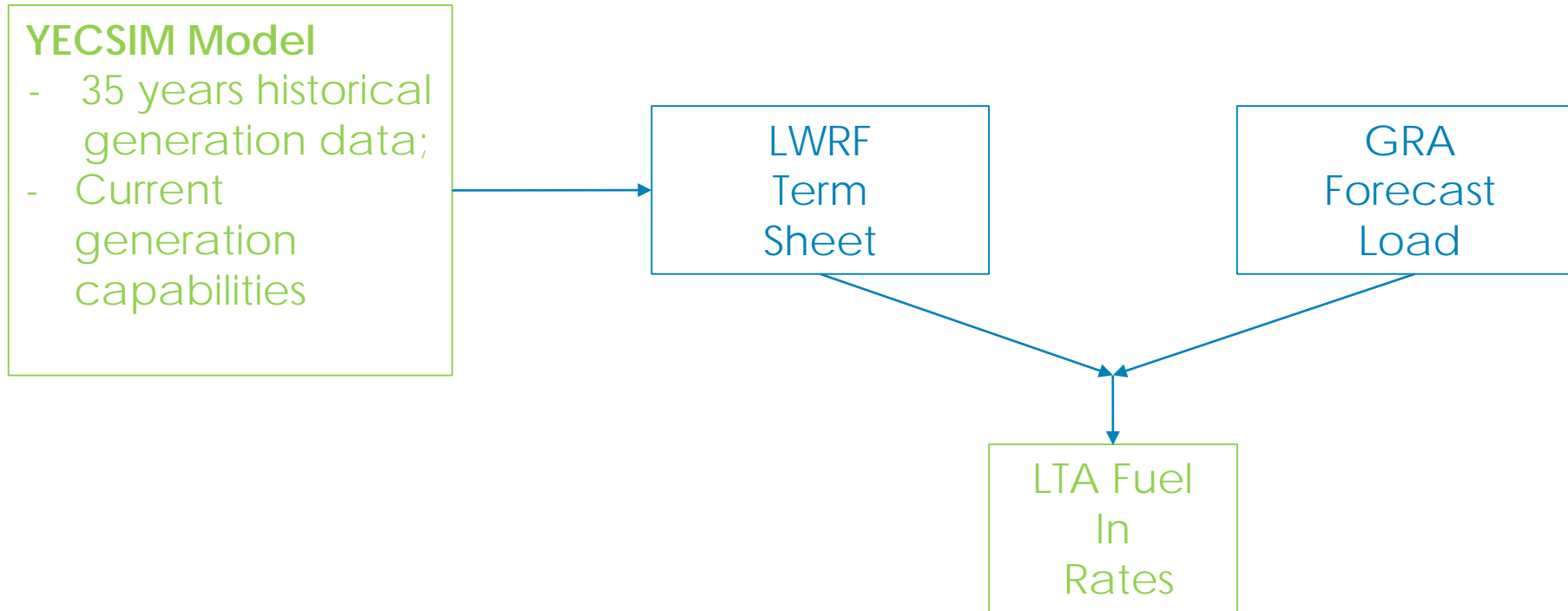
Long-term

What is Long-Term Average?

Deferral Account Principles

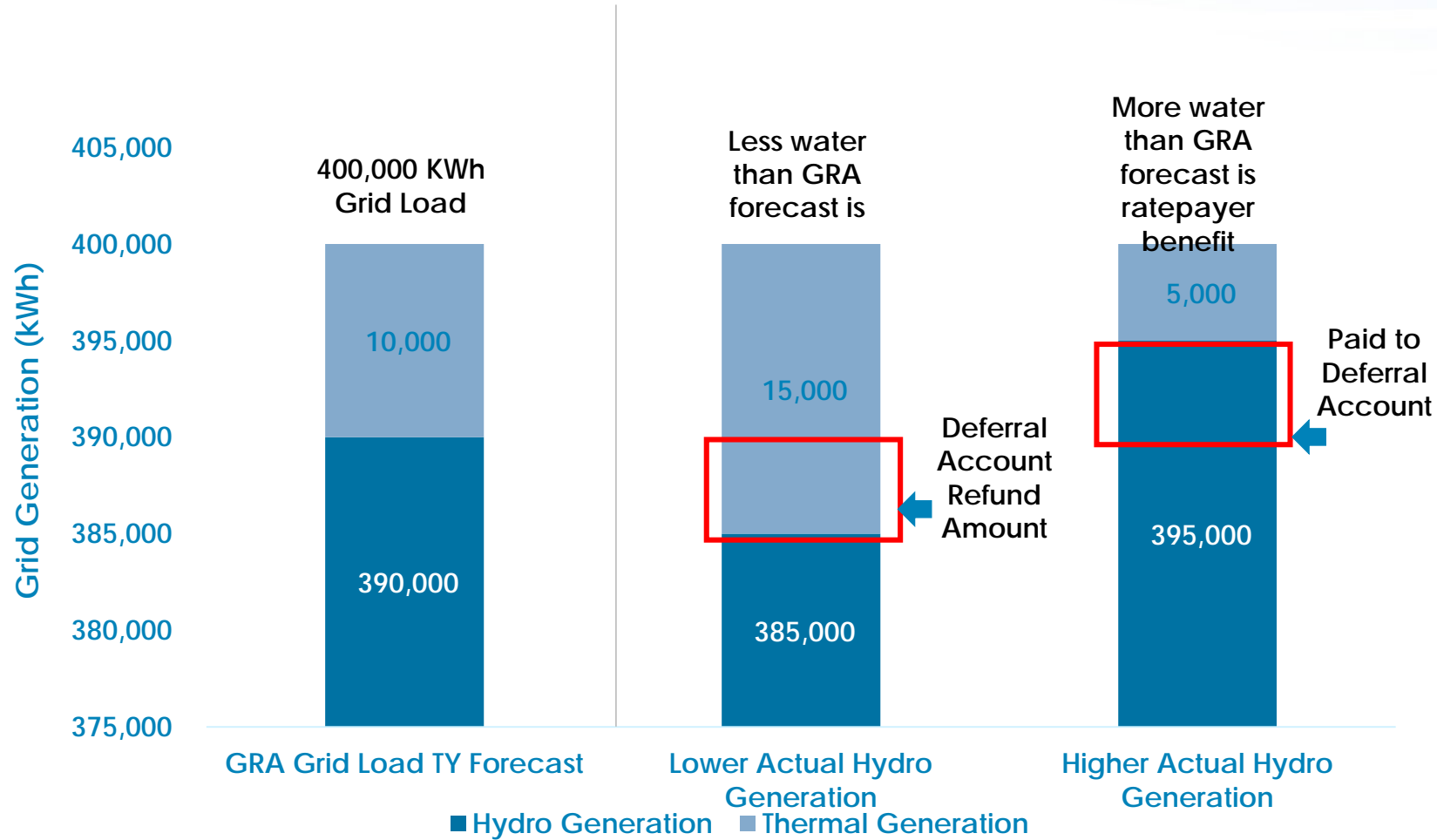


How is LTA Determined?



Forecast Load

Thermal Variability



Fund Accounting

Historical Fundamentals

- YEC bears risk of forecast for all cost items except:
 - Price of fuel (Rider F / DFPVA)
 - Water Supply (LWRF)
 - Uninsured/Uninsurable losses (RFID)

Fund Accounting

Historical Fundamentals

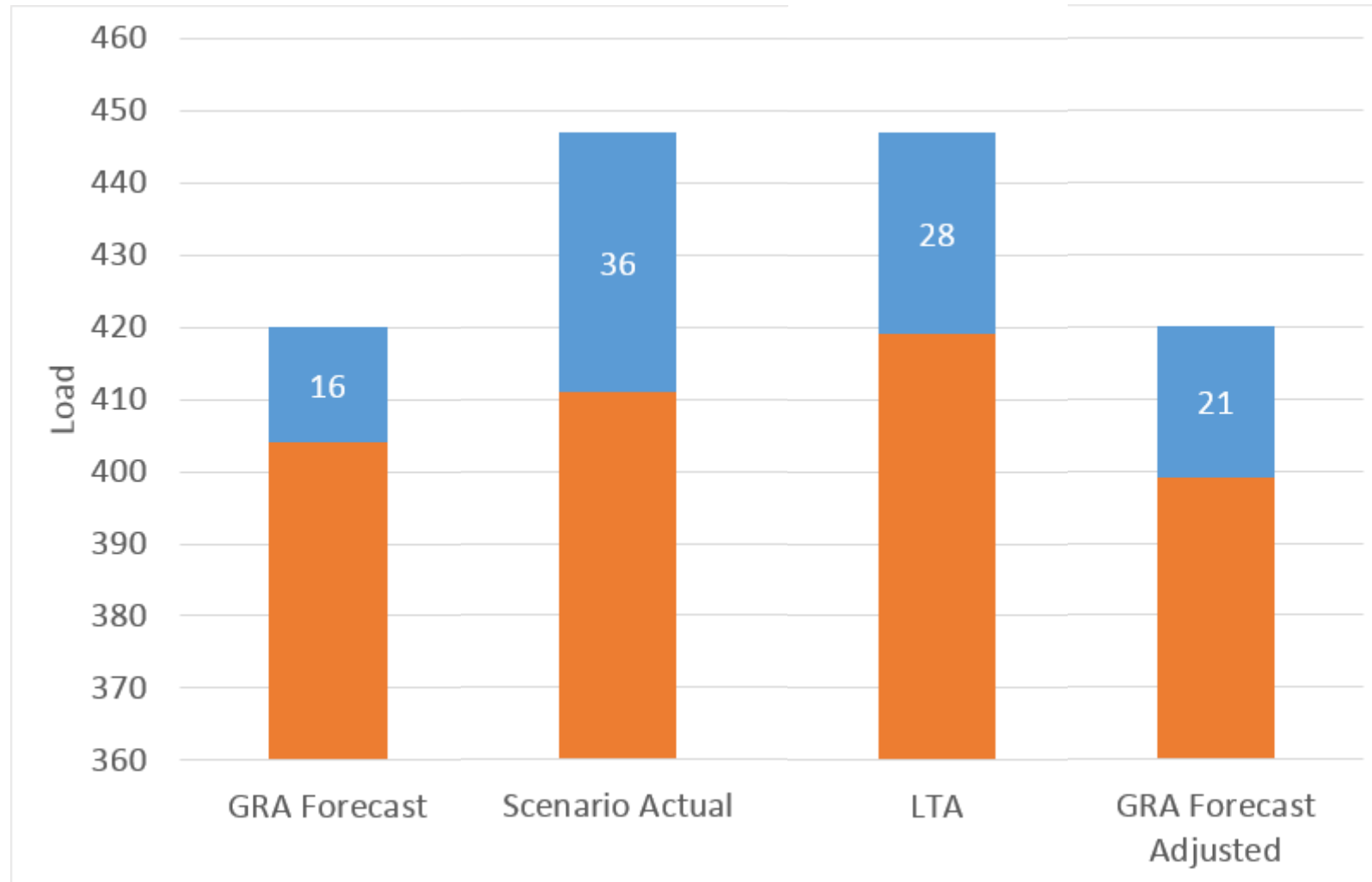
$$\begin{array}{r} \text{LTA Thermal in Rates} \\ +/- \quad \frac{\text{Actual Thermal* at Actual Load}}{\text{Change to Deferral Account}} \end{array}$$

* Actual thermal net of RFID charges, capital and maintenance fuel.

2019-04

- “The LWRF is applicable only for loads up to the latest approved forecast level and not for amounts that vary from forecast levels”

LWRF Impacts – 2018 example





yukon
energy