

April 29, 2021

Mr. Richard Buchan, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Mr. Buchan:

**Re: Yukon Energy Rate Schedule 39 Interim Fixed Charge – YEC Reply**

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In Order 2021-07 the Yukon Utilities Board (YUB or the Board) directed that final determinations regarding Rate Schedule 39 will be considered as part of YEC's 2021 GRA currently before the Board; and outlined a process for review of YEC's Rate Schedule 39 interim fixed charge adjustment. This included intervenor submissions on April 26, 2021 and YEC reply on April 29, 2021.

On April 26 a submission was provided by UCG which indicated that "...this interim rate schedule is acceptable to us, for the interim, with the caveat that the Board commits to a future process with interrogatories and written argument to determine a sufficient/accurate industrial rate schedule. As well, as how to set aside any income/revenues recovered from this schedule in each year/s after when a new schedule is approved and there may not be any GRA activity to allocate into the revenue requirement, to ensure ratepayers continue to benefit from this."

Yukon Energy notes that issues raised by UCG regarding costs of the currently completed facilities and treatment of Rate Schedule 39 revenues can be addressed in the current GRA proceeding. For the purpose of finalizing the Rate Schedule 39 fixed charge at issue here, however, YEC will need to have the final costs for the SVC Statcom forecast to be completed in late November 2021.<sup>1</sup> YEC will file final costs with an adjustment to Rate Schedule 39 and the Board will establish an appropriate process for review at that time.

On the matter of the 85% allocation, UCG's submissions are without merit. The basis and premise for the Fixed Charge, including the 85% allocation, was initially reviewed as part of the Alexco

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<sup>1</sup> The Fixed Charge before the Board at this time is focused only on forecast costs related to the Transmission Facilities Development which was completed and providing electricity to VGC Group in March 2021.



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Power Purchase Agreement (Alexco PPA) approved in 2011 by Board Order 2011-01, and confirmed in the VGC Group PPA approved in 2018 by Board Order 2018-04.

On the matter of the limited scope proceeding, UCG's submissions are also without merit. The Board directed that a limited scope process be implemented in Order 2018-04. Parties have a chance to ask questions and interrogate the matter further during the 2021 GRA. A further process is not necessary.

If you have any questions regarding the above please call.

Yours truly,

A handwritten signature in black ink, appearing to read "Ed Mollard".

Ed Mollard  
Chief Financial Officer