

YUKON UTILITIES CONSUMERS' GROUP

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September 22, 2023

Yukon Utilities Board

Box 31728

Whitehorse, Yukon Y1A 6L3

**Re: Yukon Energy Corporation-2023-24 General Rates Application
UCG Registration as Intervenor
UCG Comments on Interim Riders**

Dear Ms. Lemke and Board Members:

The Yukon Utilities Consumers' Group (UCG) would like to register as an intervenor in the proceeding to review the 2023-24 General Rates Application submitted by Yukon Energy Corporation (YEC). We plan to participate in all aspects of this rate hearing.

The nature of UCG's participation in this proceeding is to protect the interests of residential and small business consumers of electricity in the Yukon. Of particular concern is the proposed cumulative rate increases resulting from the forecast drivers in YEC revenue shortfalls.

UCG is concerned that YEC's application does not address cost of service, general rate design matters nor supply-side-management techniques that would require joint work with ATCO Electric Yukon to streamline and provide efficiencies. The lack of new terms of service is also a concern.

UCG is particularly interested in more fully understanding when and how ratepayers will be impacted, both short and long term, by the proposed revisions to rates. As well we look forward to hearing the alternatives utilized by the YEC to control costs and become more efficient in their operations.

UCG has retained the services of Roger Rondeau as a regulatory consultant for this proceeding given his experience in YUB proceedings including many previous general rate applications by both ATCO Electric Yukon and YEC. UCG is also considering the hiring of Mr. Pat McMahon as consultant to aid in this intervention as there is now too much work (i.e. two GRAs) for Mr. Rondeau to do thorough research.

Although UCG realizes we are requesting assistance from outside; Mr. McMahon has experience in the Yukon and would be utilized to research, outline and develop draft proposals. Mr. Rondeau will perform the necessary research as well as all the editing and formal documentation to keep the costs down.

Until more information is provided through the information request process, it is too early to tell whether UCG will need to submit additional evidence to be placed on the record.

Included in this notice of intervention letter is UCG submission on Interim Rates.

All communications related to this application and its review should be copied to rroudeau@northwestel.net).

Regards,

Roger Rondeau

Yukon Utilities Consumers' Group (UCG) Submission on YEC Interim Riders

1. *On page 2 of this Application, YEC proposed approach includes 3 dates for rate adjustments:*
 - *Interim rate change of 3.34% October 1, 2023 to correspond to AEYs requested interim rate reduction;*
 - *Interim rate of 8.44% January 1, 2024 to correspond with the expected removal of the Rider F charge; and*
 - *Final rate and true up rider 2.33% August 1, 2024 to correspond with the removal of the YECs 2021 GRA true up rider.*
2. UCG first submits at YEC is proposing a GRA now three quarters of the way through a 2023 test year. They then propose abrupt interim increases to rates.
3. UCG is concerned that YEC and AEY are using interim rates as go-to for filing late applications into a test year and the Board continues to condone this inappropriate behaviour.
4. The YEC first interim rate increase of 3.34% on October 1 to coincide with the AEY proposed interim reduction is now moot as the Board has previously denied this application by AEY.
5. So, how will the YEC now provide greater bill stability and predictability for Yukon ratepayers?
6. The YEC second interim rate proposal of 8.44% on January 1 to coincide with the EXPECTED removal of the Rider F charge also sends up many red flags to the UCG.
7. What happens if the EXPECTED becomes the UNEXPECTED?
8. YEC has failed to demonstrate how this 8.44% is the same amount of the Rider F at that date.
9. This is simply a smoke and mirrors as instead of lowering our bills with the removal of Rider F, the YEC would propose to keep the bills the same with this proposal. And then the YEC will simply reapply Rider F as soon as they find the need. And what about AEY portion of Rider F?
10. Accordingly, UCG submits that the Board deny these interim rates as proposed and order YEC to come back with clearer proposals to ensure the rates of Yukon electrical ratepayers remain somewhat stable and predictable, especially seeing that the winter months are soon coming.
11. UCG is pleased that the two utilities are filing a GRA within the same time frame. However, the lateness in these filings for the 2023 test year has negative impacts on the regulation process.
12. We request the Board set out clear guidelines for when and how an application by the two utilities is to be processed. This includes mandating two-year filings and timelines for these to take place, so that proper time to go through a regulatory process without lags. The Utilities will scream out-of-scope and any other rationale to keep hold of their manipulation tactics.
13. If we must continue with the old, outdated cost-of-service model, then at least have a pro-active Board and regulatory process.