

# YUKON UTILITIES CONSUMERS' GROUP (UCG)

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September 6, 2024

Yukon Utilities Board

Box 31728

Whitehorse, Yukon Y1A 6L3

Attention: Chair and Board Members

**Re: UCG Refiling Comments and Notice of Motion on Yukon Energy Corporation  
2023/24 General Rate Application Compliance Filing**

Dear Ms. McCullough:

Enclosed for the review of the Board is a submission by the Yukon Utilities Consumers' Group (UCG) resulting from the Compliance filing process of Yukon Energy Corporation 2023/24 General Rate Application.

**UCG has reviewed the IR responses from Yukon Energy and do not have anything to respond on this position, so will leave that up to the regulator to intervene on the ratepayer's behalf. We do wish to resubmit what we wrote prior on August 19,2024 as this is very pertinent to our concerns, as well as the next paragraph update.**

**Notice of Motion: UCG submits we are very disillusioned with the process of this GRA. When the Board released its decision on July 12,2024 there were compliance requirements included. There was absolutely no mention of how this regulatory decision would affect the upcoming rates nor impacts on ratepayer bills, i.e. interested parties were not informed on these possible impacts to our rates until Yukon Energy released its compliance report. Therefore, there was no process to include a review and variance of an order on the matter of increased rates, which we had no idea of the outcome until the compliance filing. Therefore, ratepayers were stuck between a rock and a hard place with no opportunity to make an objection to the regulator for an extreme increase (30%) in our upcoming rates. Accordingly, we request the Board opens the procedure to properly explain and inform how the proposed compliance will affect ratepayer rates/bills and how these rates were determined in contrast to the original application by Yukon Energy, before any final rates are implemented.**

Due to the late filing or filing over half-the-way into the 2023 test year, the schedule that YEC outlined in its original application, as well as the October 11,2023 Yukon Energy information session to the public, has become completely skewed. We are now three quarters of the way through the 2024 test year and still waiting for the final verdict. From the YEC cover letter this review compliance will not be complete until December 31, 2026.<sup>1</sup> In no way does this hold to the principle for preventing intergenerational inequities. UCG request the Board fix this type of

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<sup>1</sup> YEC Compliance Letter, p. 1 #2

ratemaking. We therefore request the Board make a statement on this issue in their final decision of this process.

Before the 2023/24 GRA, residential ratepayers were paying a 34.84% YEC Revenue Shortall Rider (Rider J) from previous processes and a 3.12% Temporary True-Up from the prior GRA, as well as a fuel surcharge (Rider F). This is all on top of our customer charge and energy charge on billings. This compliance filing reveals a Rider J increase of 20.56%(10.39% for 2023 and 10.17% for 2024)<sup>2</sup> and then a 9.45 %Temporary True-up Rider J1<sup>3</sup>. And very soon we will likely experience a new Rider F, with even greater demands to the ratepayer.

The YEC has not provided any information on how this compliance will be reflected in updated residential bills, but it certainly appears that this will not be the 14.11% rate increase from the original application. Ratepayers need to know how this compliance filing will impact their bills to make an informed decision on how to budget for a future bill increase/s, especially with the winter season on our doorstep. Ratepayers should not just have to swallow any new increased bill without knowing how this GRA was determined. It is the YEC and the Yukon Utilities Board responsibility to make this clear to the public they represent.

Accordingly, UCG request this information be disclosed before the Board makes final rate changes.

UCG was under the impression that the purpose of a rate application was to be certain the forecasting methods and revenue requirement of the application were prudent. The general purpose is to keep rate impacts on ratepayers at or below the rates requested in the original YEC application.

Case in point, UCG does not understand how the utilities make a GRA filing for rate of return and then claim to wait and see what happens to the newest comparative to get a new return. If this is not retro-active ratemaking, then we certainly have the wrong definition of this term. We request to see an explanation of how this is an acceptable principle by the regulator.

Accordingly, UCG submits that it is far past time that the Board holds the utilities accountable to abide by the forecasts they so arrogantly pronounce as accurate in their application. The YEC promised ratepayers a forecasted revenue requirement<sup>4</sup> and then received more from the Board in a regulatory outcome. How is this possible in rate regulation? Please explain.

Also, the YEC promised ratepayers a 14.11% rate increase and that they would apply these at the same time as other charges were being terminated or being reduced to mitigate any rate increases to bills.<sup>5</sup>

The YEC then promised the bill impacts of 3.02% for October 1, 2023, then 3% for January 1, 2024 and finally 5.8% in final true up August 1, 2024.<sup>6</sup> For 1000 kwhr. bill that accumulates to 11.82%. Now we are finding from this compliance a total impact of 30.01%.

Again, YEC and the YUB need to demonstrate how this compliance filing will impact us in a new billing. We request this information be openly given before the Board makes a final compliance decision.

UCG questions from all these pretenses: How in any way is this compliance filing PROVIDING BILL STABILITY and limiting the impact of rate changes on monthly electricity bills? This was promised by the YEC to ratepayers at their public information session on October 11, 2023 on page 2 of the slide presentation. How can the public have trust in the regulatory process when these promises appear far from being kept by the utilities and their regulator?

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<sup>2</sup> Order 2024-05 Compliance Filing p.1-6

<sup>3</sup> YEC Cover letter Compliance Filing p. 1, #2

<sup>4</sup> YEC Information Session p. slide 26

<sup>5</sup> Ibid p. slide 27 and 28

<sup>6</sup> Ibid , p. slide 29

A 30% rate increase by the YEC is greater than ever experienced in rate regulation of this corporation, except for the 50% increase in 1993 when Cyprus Anvil mine in Faro closed and Yukon Energy had to make up revenues from its' firm ratepayers to collect its profits. This is when the UCG was formed to expose immoral regulatory ratemaking (like the utility spending \$600K to pay their professionals to get what they want and the Board doing the same probably in the \$500k range to pay for their professionals).

If there are any questions concerning the contents of this submission, I would ask that they be directed by email to rrondeau@northwestel.net or by phone at 633-5210.

Regards,

Roger Rondeau representative/consultant for  
Yukon Utilities Consumers' Group (UCG)

