

## **YUKON ENERGY CORPORATION 2025-2027 RATE APPLICATION**

### **Yukon Utilities Consumers' Group**

#### **Information Requests**

July 24, 2025

The following questions are submitted by the Yukon Utilities Consumers' Group regarding the Yukon Energy Corporation 2025-2027 Rate Application.

UCG -YEC-1-1

*Reference:* Application dated May 12, 2025

*Request:*

- a) Explain why the application was not submitted until May 2025, midway through the 2025 test year.
- b) When did Yukon Energy first identify revenue requirement issues?

UCG -YEC-1-2

*Reference:* Application dated May 12, 2025

*Request:*

- a) Summarize any Yukon Energy Corporation customer or stakeholder consultations conducted before submitting this application to the YUB.
- b) Provide all documents from these consultations, including a list of participants.
- c) If consultations occurred, explain how input was used in the application.
- d) State how Yukon Energy notified ratepayers of proposed rate increases for each test year.

UCG -YEC-1-3

*Reference:* Cover Letter dated May 12, 2025

*"The GRA deals primarily with Yukon Energy's revenue requirement needed to carry out its responsibilities. It does not address in any material way cost of service and general rate design matters that would require joint work with ATCO Electric Yukon (AEY)."*

*Request:*

- a) What are YEC's responsibilities? Explain prioritizing customer interests.
- b) Why weren't cost of service and rate design issues included in this application, and when will they be addressed jointly with AEY?

#### UCG -YEC-1-4

*Reference:* Cover Letter dated May 12, 2025

*YEC plans to increase electricity rates in 2025, 2026, and 2027 to invest in Yukon's electricity system. These investments aim to expand renewable infrastructure, increase winter supply, and improve the system for evolving customer needs.*

*Request:*

- a) To ensure transparency and effective planning Provide a year-by-year schedule of all forecasted O&M costs for 2025–2027. Note which YEC objectives (safe, reliable, sustainable, affordable) each cost supports to provide a clearer understanding behind the expenditures.
- b) To ensure transparency and effective planning provide a year-by-year schedule of all capital costs for 2025-2027. Note which of YEC objectives (safe, reliable, sustainable, affordable) each cost supports to provide a clearer understanding behind the expenditures.
- c) On the same schedule for capital costs list the system areas (generation, transmission, distribution, storage, grid stability, end-use) linked to each capital expenditure for 2025–2027.

#### UCG -YEC-1-5

*Reference:* Cover Letter dated May 12,2025

##### **Proposed Timing for Interim and Final Rates & Bill Impact Mitigation**

*“Average monthly bills in Yukon remain the lowest across the North, and Yukon Energy is committed to doing what it can to keep it that way.”* YEC then goes on to state that they are attempting to provide bill impact mitigation by applying for government grant funding and timing one increase with another rate adjustment retiring.

*Request:*

- a) Clarify how comparing Yukon's bills to those in other regions justifies increases.
- b) Explain when and how government grant funding will lower customer bills.
- c) Specify when and how bill adjustment timing reduces customer bills.

#### UCG -YEC-1-6

*Reference:* Cover Letter dated May 12,2025

##### **Proposed Timing for Interim and Final Rates & Bill Impact Mitigation**

*“The timing and amount of interim rate increases has a large impact on the amount of the true-up rider required further in the process.”*

To give a better understanding of the implications of interim rate increases, address the following questions and issues:

*Request:*

- a) List all reasons a true-up rider is required, explaining each.
- b) Is application timing a key factor? Explain.
- c) How does Yukon Energy suggest addressing this lag?

UCG -YEC-1-7

*Reference:* Application, Table 1-1: Proposed Rate Changes and Expected Bill Impacts Board Order 2025-12 - YEC Interim Refundable Rates

**Approach for Current Rate Application** p1-10 “Yukon Energy’s approach for the timing of rate increases is based on feedback received during and since the previous GRA. Yukon Energy has heard from interveners that ratepayers value predictability (understanding timing for rate changes) and stability (i.e., want to know rates in advance want smooth rate increases across test years, and to avoid or minimize rate true-ups.”

The Board memo denying a variance ratepayer request that would delay rate increases scheduled for January 1, only six months after the July 1, 2025 increase.

*Request:*

- a) Please provide documentation or records of feedback from interveners regarding their views on predictability and stability of rates.
- b) Provide evidence supporting that this application achieves predictability for ratepayers.
- c) Provide evidence that stability is attained using interim and true-up riders.
- d) Provide evidence that Yukon Energy’s approach facilitates a smooth rate increase environment throughout the test years. Please explain how the occurrence of two 10 percent bill increases within a six-month period, subsequent billing adjustments due to any interim refundable decisions, the finalization of an additional 10 percent bill increase, and the implementation of a true-up smooths rates.

UCG -YEC-1-8

*Reference:*

Summary of Requested Orders, Yukon Energy Application, p. 6

“**Return on Rate Base...**Approval of \$23.751million in 2025, \$30.408million in 2026 and \$37.571million in 2027 including an allowed return on equity of 9.15% for each test year.”

**Return on Equity (pp. 8.1 to 8.6):**

Yukon Energy proposes adopting the BCUC GCOC benchmark return on equity of 9.65%, without a premium adder, adjusted by the OIC. For benchmarking purposes, Yukon Energy has selected FortisBC Inc. (Electric) (FEI) and ATCO Electric Yukon (AEY) as comparable utilities.

*Request:*

- a) Provide an analysis of the operational performance of Yukon Energy compared to FEI and AEY. Each evaluation should illustrate how the respective company achieves efficiency and cost-effectiveness in delivering electricity to its customers.
- b) Provide more details on best practices within the electric utility industry and how Yukon Energy adheres to these practices.
- c) Utilizing the data from Table 8.1 and Table 8.2, explain the rationale for comparing FEI and AEY's operations with those of Yukon Energy. Explain how these operations are comparable.
- d) Submit the SAIDI and SAFI reliability reports for 2024 including any significant changes or trends observed in these metrics.
- e) List recent investments, including dollar amounts, aimed at reducing transmission losses.

- f) List all investments addressing generation capacity constraints.
- g) Describe the methods Yukon Energy employs to communicate tariff and fee changes to end-users.

#### UCG -YEC-1-9

*Reference:* Yukon Energy 2025-27 GRA, p.1-14

Yukon Energy outlines rate mitigation strategies, including government funding and partnerships with First Nations.

*Request:*

- a) Please clarify how Yukon Energy intends to adjust customer rates if government funding is obtained from federal or territorial sources, including any conditions that may be attached to this funding.
- b) Provide a comprehensive list of all mitigation payments made to First Nations for economic and socio-economic impacts, specifying the purpose and amount of each payment.
- c) Indicate whether these costs are assigned to the utility or the ratepayers.

#### UCG -YEC-1-10

*Reference:* Yukon Energy 2025-27 GRA, p.1-16

“Drivers of rate increases... Other Factors... purchases from power producers.”

*Request:*

- a) Specify how agreements with IPPs are reflected in this application by detailing the types of agreements and impact on rates.
- b) List each purchase from power producers with corresponding details.
- c) Provide a brief cost/benefit summary with ratepayer interest for each agreement (e.g., summary for all wind, summary for all solar, etc.).
- d) List \$ amounts for latest year of Micro-Generation and provide a cost/benefit analysis for ratepayers.

#### UCG -YEC-1-11

*Reference:* Yukon Energy 2025-27 GRA, p.1-18

“Demand Side Management additions-\$1.6million for DSM deferred costs programs related to reducing dependable capacity requirements.”

*Request:*

- a) Provide a cost/benefit analysis for ratepayers on these DSM deferred program additions.

#### UCG -YEC-1-12

*Reference:* Consultant Costs

*Request:*

- a) Provide a summary of consultant costs for 2025 is requested, including the names, work performed, and corresponding dollar amounts.
- b) Provide consultant costs for 2024, with details on names, work performed, and dollar amounts, presented alongside for a comparison to 2025 data.

- c) Forecasted consultant costs for the 2026 and 2027 test years are to be added, listing names and projected amounts.

UCG -YEC-1-13

*Reference:* Labour pp.3-8,9 and 10 Yukon Energy 2025-27 GRA

Of the total projected increase in labour expenses for 2027 from the 2024 approved amount of \$4.446 million, approximately \$3.071 million (69%) is attributed to additional headcount.

*Request:*

- a) Explain how labour costs are determined and allocated across different categories such as capital, maintenance, and administration purposes.
- b) Describe the process of preparing rate applications for each category of expenses.
- c) Present a concise cost/benefit analysis for the headcount additions, including specific dollar amounts.