

YUKON UTILITIES CONSUMERS' GROUP (UCG)

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March 17, 2026

Yukon Utilities Board

Box 31728

Whitehorse, Yukon Y1A 6L3

Re: Board Order 2026-07, Yukon Energy Corp. (YEC) LWRF and ERA

Board Members:

UCG has reviewed the documentation filed by the YEC on the above. We have the following to offer:

1. UCG has argued persistently, to no avail, that the term sheet evaluation significantly favors YEC, which is therefore disadvantageous to customers.
2. UCG would like it noted for the record that the current method of determining the LWRF does not serve the public interest.
3. How can shifting back and forth from forecast to actual data accurately reflect what is truthfully taking place? We would like to receive an answer on this from both the YEC and the YUB.
4. Accordingly, UCG will focus attention on diesel fuel costs in this submission.
5. First, UCG submits that the YEC uses diesel costs as a buffer to compensate for inconsistencies and potential mismanagement.
6. The corporation relies on the LWRF and the Rider F to justify collecting sufficient funds to meet its revenue requirements for each year.
7. The result of this is that the YEC has little incentive to operate efficiently nor maintain the lowest possible rates for their customers.
8. Let us examine YEC's diesel fuel spending in greater detail:
 - i. YEC bases calculations for the LWRF using the 2025-27 GRA period average fuel cost of 32.19 cents/kwh.¹

¹ YEC Attachment 1; LWRF Calculations and Balance Updates for 2025, commonly known as Term Sheet.

- ii. It is not specified whether this figure represents actual costs or is a forecast.
- iii. There has been no flow chart of the actual daily costs per litre of diesel nor LNG throughout each test year. This has flown below radar, i.e. received limited scrutiny during recent general rate applications.²
- iv. As such, there is lack of clarity in the calculation of the average fuel costs for this term sheet.
- v. UCG notes that YEC nor the regulatory process currently lacks an accountability mechanism to address volatile diesel supply chain costs.
- vi. The YEC relies on a single diesel fuel supplier which receives its fuel from Alaska. Should this supply chain be disrupted, the supplier must turn to Suncor, the bulk supplier in Whitehorse. However, due to the absence of an account with Suncor, the supplier must engage alternative multiple bulk suppliers to fill this void for diesel that is on demand from the YEC, i.e. the supplier requires the use of intermediary contractors who must possess the necessary selling licences. This process introduces multiple markups of the price per litre from the refinery to the contractor, and finally to Yukon Energy.
- vii. This results in serious price spikes in the YEC diesel fuel costs. This volatility particularly coincides with events such as avalanches or other road closures in Alaska, which necessitates the YEC supplier purchasing fuel locally through this complex and expensive local supply chain.
- viii. There is currently insufficient incentive for the YEC to address these inefficiencies, as the LWRP and the DCF recover these increased diesel costs.
- ix. Accordingly, UCG is filing with this submission a Notice of Motion for the Board to investigate this further before dealing with this LWRP account.

² In the 2025-27 YEC GRA there is no information on how the actual cost of purchasing diesel and LNG in the past nor how the YEC determines the per unit cost of diesel and LNG fuels in their documentation. They only give the average, we would assume forecast, cost in cents per kWh.

The Yukon Utilities Consumers' Group
Notice of Motion
March 17,2026

As per the above submission by the UCG,³ we motion that the Board review the process YEC and AEY uses to purchase their fuel supply before making any decisions on the LWRF (YEC only) and the Fuel Rider F (YEC and AEY).

Roger Rondeau

On behalf of the UCG

³ UCG March 17 letter line 8- i. to ix.