IN THE MATTER OF the *Public Utilities Act*
Revised Statutes of Yukon, 2002, c.186, as amended

and

An Application by Yukon Energy Corporation (YEC)
for approval of Rate Schedule 39 – Escalation of Demand and
Energy Charges per Order-in-Council 2007/94

BEFORE:	B. McLennan, Chair	)	December 16, 2011
	R. Laking	)	
	R. Hancock	)	
	N. Prasad	)	

BOARD ORDER 2011-14

WHEREAS:

A. On December 5, 2011, Yukon Energy Corporation (YEC or Company) filed an application with the Yukon Utilities Board (Board) seeking an Order from the Board for approval of amendments to Rate Schedule 39;

B. Order-in-Council 2007/94 (OIC) provides for escalation of demand and energy charges, once per calendar year, starting January 1, 2010, based on the latest percentage increase in the 12-month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada;

C. The Board noted that an amendment to Rate Schedule 39 was approved in Board Order 2011-04, pursuant to OIC 2007/94, effective January 1, 2011;

D. In the Reasons for Decision for Board Order 2011-04, the Board stated that the scope of the proceeding is governed by the OIC and the testing of the application was limited to determining that the correct escalation factor is used from the 12-month implicit chain price index for gross domestic product at market prices for Canada;

E. YEC submitted that the most recent data available from Statistics Canada is for the Third Quarter of 2011 and, based on that latest data, there is a requirement pursuant to OIC 2007/94 to escalate the demand and energy charges for Rate Schedule 39 by 3.4%, for rates effective January 1, 2012;

F. The Board issued a memorandum on December 7, 2011, seeking comments from interested parties, on the need for a process with respect to the request by YEC to amend Rate Schedule 39 pursuant to the OIC. The deadline for comments was December 12, 2011;

G. The Utilities Consumers' Group (UCG) submitted a letter on December 6, 2011 requesting that non-industrial rates should be immediately reduced to offset this expected increase in revenues from the proposed amendments to Rate Schedule 39;

H. In e-mail correspondence to the Board on December 9, 2011, UCG requested some type of process to allow the Board to address the issues UCG brought up in its December 6, 2011, submission. It also stated that it had no concerns with the requested amount of increase to Rate Schedule 39 nor with issuing an interim refundable schedule;

I. No other comments were received;

J. The Board took into account that UCG stated it had no concern with the requested amount of the increase. Seeing that the scope of the proceeding is limited to ascertaining the correctness of the escalation factor and the Board is able to make the determination on the material filed by YEC, the Board has decided that a process on this application is not needed; and

K. The Board considered the submissions of the parties respecting the Application.

NOW THEREFORE the Board orders as follows with Reasons attached as Appendix A:

The Board approves the request by YEC to escalate the demand and energy charges for Rate Schedule 39 by 3.4% effective January 1, 2012.

DATED at the City of Whitehorse, in the Yukon Territory, the 16th day of December 2011.

BY ORDER



Bruce McLennan
Chair

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Reasons for Decision

1.0 Scope of Proceeding

The scope of the previous proceeding[1] regarding an amendment to Rate Schedule 39 was determined in Board Order 2011-02, which stated:

> The scope of the proceeding is limited to the escalation of the Demand and Energy charges in Rate Schedule 39 and the Intervenors should govern themselves accordingly[2].

The Board notes the following from Order-in-Council 2007/94:

> **Escalation of demand and energy charges**
>
> Demand and Energy charges for the directed changes are to be escalated once each calendar year, starting January 1, 2010, based on the latest percentage increase in the12-month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada[3].

Based on the above, the Board confirms that the scope of this proceeding is identical to the scope of the proceeding that was determined through Board Order 2011-04 and that this proceeding is governed by OIC 2007/94. Therefore, the testing of this application is limited to determining that the correct escalation is used from the 12-month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada.

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[1] YEC submitted an application to the Board on November 30, 2011pursuant to OIC 2007/94 to amend Rate Schedule 39 effective January 1, 2011.
[2] Board Order 2011-02
[3] Order-in-Council 2007/94, page 4.

2.0 Escalation Factor

YEC submitted that[4]:

> On December 5, 2011, Yukon Energy provided to the Board its annual update filing pursuant to OIC 2007/94.
>
> The letter noted that "the most recent data available from Statistics Canada indicates that the latest percentage increase in the 12 month Implicit Chain Price Index is for **the Third Quarter of 2010**, and equals 3.4%" (emphasis added). Please note that the reference to the Third Quarter of 2010 was a typographical error and is incorrect. The correct reference is the Third Quarter of 2011. As provided in Attachment 2 to the December 5 letter the 3.4% increase for 2011 is correctly stated.

The UCG in its submission of December 6, 2011, stated:

> UCG has no concerns with the requested amount of increase to the Rate 39 nor with issuing an interim refundable schedule.

As a result, the Board finds YEC's calculation of the escalation to the demand and energy charges for Rate Schedule 39 by 3.4% effective January 1, 2012 to be accurate and in accordance with the OIC. For these reasons, the Board approves the Rate Schedule 39 with the applied for amendments, as set out in Attachment 1 to these reasons.

[4] YEC letter dated December 6, 2011.