ATCO Electric
YUKON

July 5, 2023

Yukon Utilities Board
PO Box 31728
Whitehorse, YK Y1A 6L3

Attention: Richard Buchan
Chair

Re: Whitehorse Condominium Corporation No. 275 (WCC275) / ATCO Electric Yukon (AEY) - Complaint
Information Responses

Enclosed please find Information Responses from AEY, responding to the Yukon Utilities Board's Information Requests, received June 20, 2023.

Please contact me at chris.cullingham@atco.com if you require any further information regarding this submission.

Yours truly,

Chris Cullingham
Manager, Regulatory

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Response Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-001

Reference: Parts D and E of the Complaint Settlement Agreement (Agreement)

Issue: Preferential treatment

Quote: The parties have agreed to develop a unique solution to resolve the concerns of WCC275 in a manner that: (i) appropriately accounts for the costs to be incurred by ATCO which will arise from the change to service requested by the WCC275, and (ii) does not result in preferential treatment of WCC275 as compared to other customers of ATCO …

Preamble: Part E stated that the current rate and Terms and Conditions of Service (TCS) in place before this Agreement were consistent with AEYs Board approved rates, TCS, and the initial connection request of the developer.

Request:

(a) Please explain how this Agreement is consistent with Board-approved rates and TCS.

(b) How does this Agreement not result in preferential treatment for WCC275? Please explain.

(c) Please provide the Parties' reasons for seeking the Board's approval of their Agreement.

(d) What aspects of this Agreement are in the Board's jurisdiction?

(e) What provisions of this Agreement are the parties asking the Board to approve? Is it the entire Agreement or those portions of the Agreement up to and including the point where AEY's regulated service ends?

Response:

(a) AEY recognizes the Agreement represents a unique scenario and request for approval, particularly as the developer originally requested- and was provided-service under the General Rate Service. However, AEY has worked with the customer as requested by the Board in the case-management meeting on April 20, 2022. An agreement is being proposed that aims for consistency with the Board-approved rates and TCS by:

- addressing the discrepancy between investment levels for General Service customers and Residential customers by requiring an investment true-up payment; and
- using the number of residential units, along with the approved residential rate, to determine a proxy bill every month via the Modified Pricing Scheme outlined in Schedule 1.

(b) Further to the response in (a), pricing under the proposed Agreement includes:

- an administrative fee will be charged to the condominium corporation each month to allow for manual bill adjustments that are required for the Modified Pricing Scheme;
- Lower energy blocks will be adjusted to reduce any unfair sharing between customers behind the meter;
- All riders and adjustments will be flowed through to in a similar fashion as they would for other non-government residential customers.

(c) The Agreement has been submitted to the Board for approval, following an in-person case-management meeting with the Board and various stakeholders on April 20, 2022, in which AEY agreed to take the matter away in an attempt to negotiate a solution. As mentioned in response to (a), while the spirit and intent of the terms and conditions have been followed during the development of the Agreement, this scenario is atypical and unique.

(d) AEY submits the Agreement is within the Board's jurisdiction, per Section 47 of the *Public Utilities Act*, and Section 3.2(c) of the TCS.

(e) AEY submits the entire agreement must be approved in full by the Board, as a "package deal". If the Agreement is not approved by the Board, it will terminate pursuant to Section 13(a) of the Agreement.

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Response Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-002

Reference: Agreement, Clause 1

Issue: Modified Pricing Scheme

Quote: … for as long as the Building is served by one meter and is used solely for residential purposes (the "Current Purpose"), all electricity and any ancillary services provided to the Building by ATCO will be billed according to the Modified Pricing Scheme attached as Schedule 1 (the "Modified Pricing Scheme"), which is intended to reasonably approximate billing for each unit in the Building as if each unit was a Multiple Dwelling unit currently served through one meter on the Residential Service, Hydro, Non-Government Rate (also known as the Non-Government Residential Rate), as defined in ATCO's approved rate schedule(s), as applicable, plus an ongoing administration fee to address the customized rate reflected in the Modified Pricing Scheme.

Request:

(a) Please explain and fully reference where in the TCS and residential rate schedules there is an allowance for an administration fee.

(b) What service is AEY providing to WCC275 that requires an administration fee?

(c) Please explain how the common areas of the Building qualify as a residential rate under the residential rate class. Conversely, please explain how the common area of the Building qualifies as a General Service Rate under the current billing structure for the Building.

Response:

(a-b) There is no reference in the TCS for an allowance of an administration fee. However, this fee is necessary to offset costs related to ongoing manual bill adjustments and ensure no preferential treatment from other customers. AEY submits that the Administration Fee be approved as part of the "package deal".

(c) The common areas of the building do not qualify under the residential rate class *per se*. However, in an attempt to negotiate a solution, consider the existing metering configuration at WCC275, and for administrative simplicity, energy consumption in the common areas will be incorporated into the modified billing scheme. The Condo Corporation will be responsible for allocating the utility bill to downstream customers.

As discussed in AEY-YEC's original response to the complaint filed on March 11, 2022, there was discussion with the developer at the time of construction whereby Section 4.13 of the TCS was leveraged and the site was connected under the General Service rate, behind a single meter for the entire building.

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Response Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-003

Reference: Agreement, Clause 8

Issue: Regulated electricity service

Quote: The Complainants acknowledge and agree that ATCO does not accept any liability for any activity downstream of its meter, including any allocation of utility costs to the Complainants, any resident(s), owner(s), or person(s).

Request:

(a) Do the Parties agree that regulated electrical energy services end at the AEY meter? Please explain.

(b) Do the Parties agree that any dispute in relation to any issues after AEY's meter is a commercial or civil matter that is outside the purview of the Board? Please explain.

(c) Who does AEY provide a monthly bill/invoice to? Is it to WCC275 or to the individual unit owners?

(d) As noted in the quote above, is this principle the same for other condominium corporations? What about generally for other apartment buildings in AEY's service territory? Please explain.

Response:

(a) Yes. The clause quoted above which is included in the Agreement is intended to help clarify that WCC275 is responsible for all activities downstream from its meter.

(b) Yes. The proposed Agreement keeps the same configuration as what was previously allowed under Section 4.13 of the TCS, however alters the rate treatment.

(c) AEY will provide a monthly invoice to WCC275. AEY will not invoice the individual unit owners.

(d) No. As discussed in the March 11, 2022 AEY-YEC response to the complaint, the default metering configuration for these buildings is to have (1) each unit metered and billed individually on the applicable residential rate; and (2) a general service meter to bill for the common areas. This complaint from WCC275 and proposed agreement to change from the single General Service rate is atypical and unique.

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Response Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-004

Reference: Agreement, Schedule 1 Modified Pricing Scheme

Issue: Terms and adjustment factors

Preamble: The Board wishes to understand the details underpinning Schedule 1.

Request:

(a) Please explain how a modified pricing scheme differs from a new customer rate.

(b) Please explain how the adjustment factor of 10 was developed/determined for any energy blocking scheme.

(c) The number of units in the building is 20. Does that include a separation or an accounting for energy consumed in the common areas? Please explain.

(d) Please explain how energy used in the common areas is consistent with the description of residential service as defined in the residential service rate schedules.

(e) Please explain how the escalation of any fees are allowed or are consistent with AEY's existing TCS.

(f) Is the escalation of any fees consistent with existing and applicable legislation and regulations?

(g) Will AEY apply any riders or other billing elements consistent with a residential or general service rate schedule? Please explain.

(h) How will AEY apply such riders and other billing elements?

Response:

(a) The Modified Pricing Scheme was the result of negotiations with the customer. It is solely intended to address the unique circumstances of this complaint, following the April 20, 2022 case-management meeting held with various stakeholders. In

general, it attempts to address WCC275's complaint about its billing under the approved General Service rate by approximating a bill for 20 individual residential customers, each served under the approved Hydro Non-Government Residential Rate, without requiring each individual unit to be metered – i.e. the existing meter that is in place for the entire building will remain in place for billing purposes (using the Modified Pricing Scheme). In turn, AEY will continue to invoice WCC275, not individual condo units, on a monthly basis, similar to its current practice. Compared with a new condominium building that had elected to receive individual residential service rates, the Modified Pricing Scheme differs in the following ways:

Standard Configuration	WCC275 Configuration, if Agreement is Approved
A new service would typically have a single meter for common spaces, billed under the general service rate, and individual meters for each unit, billed under the appropriate residential rate.	WCC275 will continue to receive service via a single meter, and the bill will be modified via the Modified Pricing Scheme to approximate billing for 20 non-government residential units.
Energy blocking follows approved rate schedules	Energy blocking is adjusted to minimize unfair sharing of lower-priced lower energy blocks.
There is no dedicated administration fee.	A dedicated administration fee is charged on a monthly basis to account for manual bill adjustments, which includes an escalation factor.
All riders apply	All riders apply

The Modified Pricing Scheme is not a new rate *per se*, in that it is not approved as part of a Cost of Service or Rate Design proceeding, nor is it available for any other customer. Likewise, AEY is not suggesting that the proposed Modified Pricing Scheme should serve as a precedent for any similar installation.

(b) The adjustment factor of 10 was determined via negotiations. It is used to minimize unfair sharing of lower priced lower energy blocks between condo owners. For instance, if various condo owners use less energy than the first energy block allows, then higher energy users would be able to share in that benefit.

(c) No. Energy usage in the common areas is included in the total consumption billing determinants. It will be up to WCC275 to further parse and allocate any related

costs to its owners. Please refer to WCC275-AEY-YUB-02(c) for further discussion around common spaces.

(d) Please refer to WCC275-AEY-YUB-02(c) for further discussion around common spaces. The proposed solution in the agreement is the result of negotiations, following the case-management meeting on April 20, 2022. The proposed solution intends to address the atypical and unique nature of the service.

(e) The escalation is the result of the negotiations between AEY and WCC275. The escalation is intended to be a straightforward administrative adjustment that approximates annual inflation.

(f) No, the escalation is not consistent with any existing and applicable legislation and regulations, however ATCO submits the negotiated agreement, including the proposed escalation is reasonable and falls within the purview of the Board's jurisdiction.

(g) Yes, as described in "Schedule–1 - Modified Pricing Scheme":

- "Any riders or other billing elements (including rebates) will be adjusted at ATCO's sole discretion." and
- "Ongoing adjustments to the Modified Pricing Scheme to keep pace with the change in rates to non-government Residential Service rates approved by the YUB, and any regulatory practices, will be determined at ATCO's sole discretion, acting reasonably."

(h) ATCO will continue to meter the site through the existing meter and, when creating a bill for WCC275, will apply riders in a similar fashion as how they are applied now. For example, energy billing determinants (kWh) will attract energy-based riders (like Rider F). Likewise, riders that apply on a percentage basis to base rates, will continue to apply to what are deemed to be base rates. An example calculation is provided in "Schedule 1 – Modified Pricing Scheme" of the Agreement.

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Responses Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-005

Reference: Agreement, Schedule 2 Investment True-Up

Issue: Time value of money

Request:

Do the investment calculations, including the difference column, take into account the time value of money? Please demonstrate and explain.

Response:

Yes. Please refer to WCC275/AEY-YUB-1-005 Attachment 1.

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Investment True-up

Line No.				
1	Original Date	29-Aug-18		
2	Adjustment Date	11-Feb-22		
3	Service Life*	25		
4	Years into Service Life	3.5		
5	Remaining Service life	21.6		
6	Cost of Capital**	6.725%		
7				
8		General Service	Residential	Difference
9	Investment Level	$690.00	$725.00	
10	Load (kW) / Units	143.76	20	
11	Investment	$99,194.40	$14,500.00	$84,694.40
12				
13	Outstanding	$93,087.57	$13,607.32	**$79,480.25**
14				
15				
16	* Schedule B: Maximum Company Investment			
17	** AEY 2016-2017 GRA Compliance Filing, L40			

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Information Response Round 1 to:
Yukon Utilities Board (YUB)

WCC275/AEY-YUB-1-006

Reference: Application, no specific reference

Issue: Distribution of electrical energy

Preamble: These questions pertain to the AEY meter at WCC275.

Request:

(a) Does the distribution of electricity from the AEY meter effectively create a distribution system and does WCC275 become a distribution company as defined by the *Electrical Protection Act* or the *Public Utilities Act*? Please explain.

(b) If WCC275 is considered to be a distribution company, how does this impact the AEY service territory? Please explain.

(c) How will energy consumption be apportioned to the individual condominium units and common area if the Board approves this Agreement?

(d) If meters are used to apportion the energy to each unit are the meters Measurement Canada certified?

(e) If the answer to part (d) is not affirmed, has temporary dispensation for those meters been granted by Measurement Canada?

(f) If temporary dispensation has not been granted in response to part (e) of this question, are there any federal jurisdictional issues that must be considered regarding this Agreement?

(g) Do the parties believe that there are any other legal issues that are not specifically addressed in these IRs that must be considered? Please explain.

(h) If the meters are not Measurement Canada certified, is this in accord with the standards for metering as set out in Section 6 of the currently approved TCS? Please explain.

(i) Please provide a sample representation of what a typical bill/invoice from AEY to WCC275/individual unit owners would look like.

(j) Please provide a sample representation of what a typical bill/invoice from AEY to WCC275/individual unit owners would look like if the Board approves the Agreement.

(k) Would it be lawful for WCC275 to apportion energy and charge individual unit owners based on non-certified meters? Please explain.

(l) Under what authority can WCC275 charge rates for electrical energy to each of the units in the condominium? Or is WCC275 receiving a single bill from AEY and apportioning that bill to the individual unit owners?

(m) How are line losses accounted for downstream from AEY meter? Are they assumed to be evenly distributed to all 20 units? Please explain.

(n) What is the avoided cost of not having AEY set up meters for each on the condominium units and a separate meter for the common areas?

(o) Please describe the nature of the service AEY provides to WCC275 up to the AEY meter? Is it consistent with the load level and usage of a residential customer?

(p) What is the expected annual load of WCC275 at the AEY meter?

(q) What is the expected annual load of a typical AEY non-government residential customer?

(r) What is the range in annual load for AEY non-government residential customers?

(s) Given the size of the load at the AEY meter, should a demand component be considered? Please explain.

Response:

(a) No. There is no change to the electrical configuration as a result of the agreement which proposes an alternate rate treatment. The existing configuration (without the rate treatment) is in accordance with the Utilities' approved TCS, under Section 4.13.

(b) Please refer to response to part (a) above, WWC275 is not considered to be a distribution company.

(c) AEY will not be involved in the downstream apportionment of bills and, accordingly, has no visibility into WCC275's practice.

(d) Meters used for trade in Canada must meet stringent requirements[1] to ensure measurements are accurate. They must be approved for billing purposes. The accuracy of the meters must be verified, and the meters must be sealed before they can be placed into service. Once they are placed into service, they must be periodically checked to make sure the meter accuracy is maintained. In addition, meter records must be kept up to 12 months after the date the meter ceased to be used.

As discussed in the March 11, 2022 AEY-YEC response to the complaint, it is AEY's understanding that the existing submeters do not meet all Measurement Canada requirements, so their measurements cannot be used for billing, including apportioning energy. From Measurement Canada's website[2]:

> **Attribution of revenue metering devices**
>
> In accordance with section 2 and subsection 9(1) of the Act, any metering device used for the purpose of establishing the basis of a charge for the supply of electricity or gas is a revenue meter and, as such, includes any sub-metering device or any apportionment metering device used to determine charges for the supply of electricity or gas to individual purchasers in a multiple-unit complex.

(e) Under section 9(2) and 9(3) of the *Electricity and Gas Inspection Act*, the Measurement Canada director may grant a temporary or permanent dispensation. AEY is not aware of any dispensation has been granted under similar circumstances. Historically, dispensations have been granted under special conditions such as AMI deployment, electric vehicle supply equipment, or new street lighting with embedded new technology (where it is not practical to install traditional approved meters).

(f) AEY is unaware of any other federal jurisdictional issues that must be considered regarding this Agreement.

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1 Measurement Canada requirements: https://ised-isde.canada.ca/site/measurement-canada/en/buying-and-selling-measured-goods/electricity-and-gas-meters . Accessed June 27, 2023.

2 Measurement Canada apportionment: https://ised-isde.canada.ca/site/measurement-canada/en/laws-and-requirements/information-attribution-and-use-revenue-meters-under-electricity-and-gas-inspection-act. Accessed June 27, 2023.

(g) AEY is unaware of other legal issues that are not specifically addressed in these IRs that must be considered by the Board.

(h) AEY submits the existing meter which serves all of WCC275 complies with all Measurement Canada rules and the utility bill will be invoiced to WCC275, not individual customers. This will ensure AEY remains compliant with relevant metering regulations.

(i-j) Please refer to WCC275/AEY-YUB-1-006 Attachment 1 for the following sample bill calculations on three separate tabs:

- A standard hydro, non-government residential customer (usage 800kWh)
- The general service bill for June (usage 140.4kW, 8,400kWh)
- The proposed billing scheme (usage 8,400kWh)

(k) Please refer to the response to WCC275/AEY-YUB-06(d).

(l) WCC275 will be receiving a single bill from AEY and will have to apportion that bill to the individual owners.

(m) AEY is unaware of how WCC275 intends to apportion its bill, including losses, to individual owners.

(n) AEY does not have a cost estimate. However, the costs were expected to be significant based on the fact that there is no space available for metering inside the existing utility room and for extensive retrofitting required.

(o) The nature of the service to WCC275 is roughly consistent with 20 residential customers.

(p) The estimated annual load is approximately 265MWh.

(q-r) An average non-government residential customer on the hydro grid uses approximately 11.3MWh per year, with a standard deviation of approximately 7MWh per year.

(s) A demand component was not considered which will simplify administration of the Modified Pricing Scheme and address WCC275's original complaint about high bill demand charges.

Whitehorse Condominium Corporation No. 275 (WCC275) / ATCO Electric Yukon (AEY) - Complaint

Whitehorse Condo Corp 275
Typical Bill Calculation

Rates Effective May 1, 2023

Line No.	TYPICAL RESIDENTIAL BILL			
1	**Consumption (kWh)**		800	
2				
3	**Yukon Base Rate Calculations**	**Rate 1160**	**Determinant**	**Monthly Charge**
4				
5	Customer Charge (per month)	$14.65		$14.65
6	Block 1 Energy Charge 0 - 1,000 ($/kWh)	0.1214	800	$97.12
7	Block 2 Energy Charge 1,001 - 2,500 ($/kWh)	0.1282	-	$0.00
8	Block 3 Energy Charge 2,500 and over ($/kWh)	0.1399	-	$0.00
9	**Base Rate**		800	$111.77
10				
11	**Yukon Rider Calculations**			
12	Yukon Energy Revenue Shortfall Rider	37.850%	$111.77	$42.30
13	AEY Rate Adjustment Rider	8.30%	$111.77	$9.28
14	YEC DCF Rider	0%	$111.77	$0.00
15	Rider S Purchase Power Adjustment Rider	$0.00	800	$0.00
16	Yukon Interim Electrical Rebate	-$0.02262	800	-$18.10
17	Fuel Adjustment Rider ($/kWh)	$0.01635	800	$13.08
18	**Subtotal**			$158.33
19				
20				
21	Administration fee			$0.00
22	**Subtotal**			$158.33
23				
24	GST	5.00%	$158.33	$7.92
25	**Total**			$166.25

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Whitehorse Condo Corp 275
Typical Bill Calculation

Rates Effective May 1, 2023

Line No.	JUNE 2023 GENERAL SERVICE BILL			
1	**Charged Demand (kW)**		140.4	
2	**Consumption (kWh)**		8,400	
3				
4	**Yukon Base Rate Calculations**	**Rate 2160**	**Determinant**	**Monthly Charge**
5				
6	Demand Charge ($ /kW)	$7.39	140	$1,037.56
7	Block 1 Energy Charge 0 - 2,000 ($/kWh)	0.1000	2,000	$200.00
8	Block 2 Energy Charge 2,001 - 15,000 ($/kWh)	0.1288	6,400	$824.32
9	Block 3 Energy Charge 15,001 - 20,000 ($/kWh)	0.1568	-	$0.00
10	Block 3 Energy Charge 20,001 and over ($/kWh)	0.1286	-	$0.00
11	**Base Rate**		8,400	$2,061.88
12				
13	**Yukon Rider Calculations**			
14	Yukon Energy Revenue Shortfall Rider	37.850%	$2,061.88	$780.42
15	AEY Rate Adjustment Rider	8.30%	$2,061.88	$171.14
16	YEC DCF Rider	0%	$2,061.88	$0.00
17	Rider S Purchase Power Adjustment Rider	$0.00	8,400	$0.00
18	Fuel Adjustment Rider ($/kWh)	$0.01635	8,400	$137.34
19	**Subtotal**			$3,150.78
20				
21				
22	Administration fee			$0.00
23	**Subtotal**			$3,150.78
24				
25	GST	5.00%	$3,150.78	$157.54
26	**Total**			$3,308.32

Whitehorse Condominium Corporation No. 275 (WCC275) /
ATCO Electric Yukon (AEY) - Complaint

Whitehorse Condo Corp 275
Typical Bill Calculation under the Proposed Agreement
Rates Effective May 1, 2023

Line No.	PROPOSED BILL				
1	**Consumption (kWh)**			8,400	
2					
3	**Yukon Base Rate Calculations**	**Adjustment Factor**	**Rate 1160**	**Determinant**	**Monthly Charge**
4					
5	Customer Charge (per month)	20	$14.65		$293.00
6	Block 1 Energy Charge 0 - 1,000 ($/kWh)	10	0.1214	8,400	$1,019.76
7	Block 2 Energy Charge 1,001 - 2,500 ($/kWh)	10	0.1282	-	$0.00
8	Block 3 Energy Charge 2,500 and over ($/kWh)	10	0.1399	-	$0.00
9	**Base Rate**			8,400	$1,312.76
10					
11	**Yukon Rider Calculations**				
12	Yukon Energy Revenue Shortfall Rider		37.850%	$1,312.76	$496.88
13	AEY Rate Adjustment Rider		8.30%	$1,312.76	$108.96
14	YEC DCF Rider		0%	$1,312.76	$0.00
15	Rider S Purchase Power Adjustment Rider		$0.00	8,400	$0.00
16	Yukon Interim Electrical Rebate	10	-$0.02262	8,400	-$190.01
17	Fuel Adjustment Rider ($/kWh)		$0.01635	8,400	$137.34
18	**Subtotal**				$1,865.93
19					
20					
21	Administration fee		$102.00		$102.00
22	**Subtotal**				$1,967.93
23					
24	GST		5.00%	$1,967.93	$98.40
25	**Total**				$2,066.33