YUKON UTILITIES CONSUMERS' GROUP
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June 6, 2025

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Re: Yukon Energy Corporation 2025/27 General Rates Application
UCG Registration as Intervenor
Notice of Motion for Negotiated Settlement Process
Submission on Interim Riders

Dear Chair and Board Members:

The Yukon Utilities Consumers' Group (UCG) would like to register as an intervenor in the proceeding to review the 2025-27 General Rates Application submitted by Yukon Energy Corporation (YEC). We plan to participate in all aspects of this rate hearing.

The nature of UCG's participation in this proceeding is to protect the interests of residential and small business consumers of electricity in the Yukon. Of particular concern is the proposed cumulative rate increases resulting from the forecast drivers in YEC revenue shortfalls.

UCG is particularly interested in more fully understanding when and how ratepayers will be impacted, both short and long term, by the proposed revisions to rates. The accumulated rate increase resulting from a 10% increase per year for three years is a major concern. As well, we look forward to hearing the alternatives utilized by the YEC to control costs and become more efficient in their operations.

UCG has retained the services of Roger Rondeau as a regulatory consultant for this proceeding given his experience in YUB proceedings including many previous general rate applications by both ATCO Electric Yukon and YEC.

Until more information is provided through the information request process, it is too early to tell whether UCG will need to submit additional evidence to be placed on the record.

Included in this notice of intervention letter is a UCG Notice of Motion requesting a Negotiated Settlement Process as well as a submission on the Interim Rates requested.

All communications related to this application and its review should be copied to rrondeau@northwestel.net).

Regards,

Roger Rondeau

Yukon Utilities Consumers' Group (UCG) Notice of Motion on a Negotiated Settlement Process

1. UCG and all ratepayer groups are very concerned about the escalating costs of rate hearings as well as the number of outside consultants and lawyers used by the utilities and the Board making decisions on behalf of Yukoners.
2. Accordingly, we are requesting an alternative method of determining the outcome of the 2025-2027 YEC GRA, that being a Negotiated Settlement Process. This was done in the 1996/97 GRA . As a full participant in this process, it was a very enlightening and productive practice involving Yukoner ratepayer groups, the utilities, and the Board representative.
3. A UCG representative presented this concept at the YEC workshop meeting of May 29, 2025, and everyone in attendance agreed that this process was a very good idea and should be investigated and initiated with the Board.
   All in attendance agreed that this would be a healthier Yukon process with local decisions being made.
4. UCG asked the YEC, and they agreed to send letters to various rate groups, so that each would notify of such a process being entertained and that each rate group be represented. This would include one member from each of the following: the First Nations (one CYFN and one chief) representing all FN ratepayers, UCG for residential and small businesses ratepayers, the Yukon Chamber of Commerce for business/commercial ratepayers, City of Whitehorse for their rates, Association of Yukon Communities representing their constituents, Nathaniel Yee representing ratepayers in a smaller Yukon community and possibly the Chamber of Mines representing industrial customers.
5. UCG requests the Board canvas the YEC and all ratepayer groups represented above before denying this motion.

We urge the Board to be initiative-taking in bringing this into fruition. We are also asking the Board to fast track their okay to this process so that rates can be initiated by July 1st to manage retroactive rates. The Negotiated Settlement Process offers several advantages, including reduced costs, increased local decision-making, and more efficient resolution of rate issues. This process was successful in the 1996/97 GRA and can benefit Yukoners now.

Submitted by
Roger Rondeau for UCG

Yukon Utilities Consumers' Group (UCG) Submission on Interim Rates for this Application

1. *On page 2 of this Application, YEC proposed approach includes four dates for rate adjustments:*
    - Interim rate change effective July 1, 2025, to recover a portion of the 2025 revenue shortfall.
    - Interim rate January 1, 2026, to recover a portion of the 2026 revenue shortfall;
    - Finalize 2025 and 2026 rates effective April 1, 2026, and approval of any required true-up; and
    - Final 2027 rates effective January 1, 2027, to correspond with the removal of YEC's 2023/24 GRA true up rider.
2. YEC further proposes in this application: As summarized in Table 1 below and reviewed in Tab 4, the required total rate increase through the end of 2027 is 33.73%. With proposed rate changes timed to provide more bill stability and predictability and coincide with removal/expiry of other charges, this rate increase equates to a 34.3% bill increase for residential customers using 1,000 kWh/ month, and for commercial customers using 3,500 kWh/month effective January 1, 2027, when including the impact of the required true-up.2
3. That is a rate increase and a bill increase of over 10% per year for each of the three years.
4. UCG submits that YEC is proposing this GRA now half of the way through the 2025 test year, which is the first year of the application. In this application they now propose an immediate interim increase to rates and another one in January 1, 2026. That will result in over 20% increase in 6 months.
5. UCG is concerned that YEC and AEY continually use interim rates as their go-to for filing late applications into a test year and the Board continues to condone this inappropriate behaviour, i.e. the Board has always allowed these interim increases.
6. Through this framework, UCG notes that the repeated reliance on interim rates undermines the integrity of the regulatory process and creates significant uncertainty for ratepayers. While the justification for such immediate increases often leans on the argument of revenue shortfalls, it is imperative that these requests come with thorough, transparent data to back such claims.
7. The burden on ratepayers is compounded by the lack of foresight in these applications, which places undue strain on the stakeholders attempting to navigate these abrupt changes. UCG argues that the consideration of interim rates should not come at the cost of accountability or ratepayer trust.
8. Furthermore, the timing of these applications, often late into the test year, raises questions about the efficiency and planning within the utilities' operations approach, the impact of YEC's 2025, 2026 and 2027 rate increases on customer bills to be smooth, and greater bill stability and predictability as they claim will be provided to Yukoners through their interim rates.
9. The consistency and timing of these rate adjustments remain critical issues that demand attention by this Board. UCG emphasizes the need for proactive measures to ensure that ratepayers are not disproportionately impacted by such drastic increases. This entails a forward-looking regulatory framework that prioritizes transparency and accountability, while also addressing the inherent challenges posed by interim rate adjustments. The implementation of clear schedules and deadlines for future applications could alleviate the recurring strain on stakeholders and enhance trust in the regulatory process.