IN THE MATTER OF the *Public Utilities Act*

and

Yukon Energy Corporation Part 1 Application Regarding the Energy Reconciliation Adjustment

BEFORE:	R. Laking, Chair	)	July 17, 2018
	B. King, Vice-Chair	)	
	A. Fortin	)	
	M. Hannam	)	
	P. Fitzgerald	)	

BOARD ORDER 2018-07

WHEREAS:

A. On June 19, 2018, Yukon Electrical Company Limited, carrying on business as ATCO Electric Yukon (AEY), submitted an application to the Yukon Utilities Board (Board) to recover Purchase Power Flow Through Deferral Account (PPFTDA) costs (Application). AEY proposed that a Rider S bill adjustment to all retail and industrial customers be utilized to collect the PPFTDA costs of $501,000 that arose from YEC's Energy Reconciliation Adjustment (ERA) charges that were approved in Board Order 2018-05. AEY requested that the Rider S bill adjustment commence August 1, 2018, and continue to July 31, 2019. Rider S is proposed to be set as an energy charge at a rate of $0.0011 per kW.h.

B. To meet an August 1, 2018 implementation date for Rider S, AEY requested a decision by the Board by July 18, 2018.

C. The Board issued Board Order 2018-06 on June 22, 2018, whereby the Board advised that any interested person may request that the Board set out a process to test the Application by filing specific comments on the need for a process by July 3, 2018, and allowing AEY the opportunity to file reply comments by July 6, 2018.

D. The Utilities Consumers' Group (UCG) provided comments on July 3, 2018. In its submission, UCG stated that a more complete regulatory process to vet the Application was needed. It argued that the AEY Rider S request was in contravention of Section 28(1) of the *Public Utilities Act*, in that AEY failed to provide a 90-day notice period for the new rate. UCG added that the proposed 12-month recovery period for Rider S was too short and that AEY did not provide any evidence that the

12-month recovery period is necessary to ensure AEY's financial integrity or to ensure the continued safe operation of its system. UCG also submitted that AEY did not provide any evidence on the impact Rider S would have on customer bills. It also questioned the fairness of collecting Rider S through a kW.h charge without a supporting cost-of-service study, and what commitments are in place to ensure reports are provided by AEY on the actual recoveries from Rider S.

E. AEY provided a response on July 6, 2018. In its response, AEY stated that the Application is a straightforward collection of a Board-approved expense and no further process was required. In response to UCG's comments, AEY stated that an annual period corresponds with the annual basis in which the ERA occurs. AEY added that, to the extent that the Rider S collection results in a shortfall or surplus, the difference would reside in a deferral account and would be trued-up in a future application. AEY also submitted that the 12-month collection period did not result in a material change to customer rates, as shown in the rate impact section of the Application. In addition, AEY noted that the design of the charge on a per-kW.h basis is proper as ERA charges are incurred on a per kW.h basis. Lastly, in response to UCG's comment on proper notice, AEY noted that the Board has previously contemplated and approved interim rate adjustments for applications within a 90-day window and that similar straightforward applications are contemplated in Section 8 of OIC 1995/90 to address fuel fluctuations.

NOW THEREFORE, the Board orders:

1. For the reasons set out in Appendix A, no further process is required to dispose of the Application. The Board approves the Application as filed, at a rate of $0.0011 per kW.h, as shown in Appendix B attached to this Order, for all consumption beginning August 1, 2018, and concluding July 31, 2019.

2. That AEY submit a report to the Board by August 31, 2019, detailing the collections to date and showing any residual balance in its PPFTDA as a result of the collection of the approved Rider S.

DATED at the City of Whitehorse, Yukon, this 17th day of July 2018.

BY ORDER



Robert Laking
Chair