

UTILITIES CONSUMERS' GROUP
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March 17, 2011

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Deana Lemke, Executive Secretary

**Re: Yukon Energy Corporation / Yukon Electrical Company Limited
General Rates Application – Phase II**

Dear Ms. Lemke:

The Utilities Consumers' Group is in receipt of the Phase II Compliance Filing submitted to the Board by Yukon Energy Corporation and Yukon Electrical Company Limited on February 28, 2011.

While there are several references to the utilities' agreement with the Board's direction to file the next cost of service study within six months after the expiry of OIC 2008/149 and that this OIC is scheduled to expire after December 31, 2012, UCG submits that the filing date for the next cost of service study should be established as by June 30, 2012 at the latest. A more definitive date will allow parties to better organize resources required for the review of such an application.

While the Board accepted an inclining rate structure for the Residential-Government rate class, UCG submits that the Block 3 % of incremental cost of diesel (67%) results in an excessive burden for certain customers, especially those living in Old Crow.

UCG submits that the implementation of a differential Rider F for the industrial customer of 0.211 cents per kW.h results in YEC receiving incremental revenues to over and above what was deemed required to pay YEC's allowed costs of service and should be used to reduce non-industrial rates.

UCG submits that the Board is already on record supporting the proposal that when revenues exceed the revenue requirement, rates should be reduced. When denying YEC's proposed Mine Net Revenue Account during review of the Minto Mine PPA, the Board stated in its reasons for Board Order 2007-5 that *"the Board does not advocate a policy of deferring revenues or costs outside of the appropriate recognition period for the purpose of keeping rates stable. Nor is the Board supportive of the YEC proposed option of using the fund for future investment projects. The Board does support the view that revenues collected from rates should be applied to the COS that derived those rates. Hence if the revenues exceed the revenue requirement, then the rates should be reduced"*¹.

UCG submits that the rates submitted within the compliance filing should not be accepted. Instead, the utilities should be directed to re-file rates that not only reduce non-industrial rates for the additional revenues generated by the differential Rider F but also the proposed adjustments to the demand and energy charges of the Firm Mine Rate (Rate Schedule 39) that are currently under review by the

¹ Appendix A to Board Order 2007-5, Reasons for Decision, page 10

Board. UCG submits that a single adjustment to non-industrial rates for these changes is preferred from a rate stability perspective.

Yours truly,

Roger Rondeau
Utilities Consumers' Group

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Yukon Utilities Board

From: roger rondeau [rrondeau@northwestel.net] **Sent:** Thu 2011-03-24 3:40 PM
To: Yukon Utilities Board; John Maissan; Shelley Dixon; Ed Mollard; Mona Pollitt-Smith; L Kerckhof; Hector Campbell; Patrick McMahon; Patrick Bowman; Greg Garbutt; Cam Osler; brian.crist@whitehorse.ca; mbuonaguro@piac.ca; wayne.tuck@whitehorse.ca; kkellgren@brownleelaw.com; muniregconsult@shaw.ca; Giuseppa Bentivegna; Dwayne Ward [Dwayne.Ward@auc.ab.ca]
Cc:
Subject: Fw: YEC/YECL Compliance Filing (typo error in date)
Attachments:  2011 03 17 - UCG Letter to YUB - Compliance Filing.pdf(26KB)

Board et all:

In UCG submission above, our intent in pgh. 2 line 6 of letter was to suggest a specific date for compulsory filing after the 6th. month following the termination of the OIC, this befig June 30, 2013 not 2012 as written.

Roger

----- Original Message -----

From: roger rondeau

To: yub@utilitiesboard.yk.ca ; John Maissan ; Shelley Dixon ; Ed Mollard ; Mona Pollitt-Smith ; L Kerckhof ; Hector Campbell ; Patrick McMahon ; Patrick Bowman ; Greg Garbutt ; Cam Osler ; brian.crist@whitehorse.ca ; mbuonaguro@piac.ca ; wayne.tuck@whitehorse.ca ; kkellgren@brownleelaw.com ; muniregconsult@shaw.ca ; Giuseppa Bentivegna ; Dwayne Ward [Dwayne.Ward@auc.ab.ca]

Sent: Thursday, March 17, 2011 9:05 PM

Subject: YEC/YECL Compliance Filing

Please see attachment.