

# Yukon Utilities Board

January 17, 2025

By E-mail

Sylvie Leonard

Dear Ms. Leonard,

**RE: ATCO Electrical Riders and changes to the invoice**

The Yukon Utilities Board (Board) has received your e-mail dated December 2, 2024 about the format of ATCO energy bills. I firstly want to apologize for the delay in responding to your e-mail. The YUB does not operate on a full-time basis and so cannot respond as immediately as we would sometimes wish. I hope this delay has not inconvenienced you.

Your e-mail was brief and focussed on the manner in which Yukon utilities ATCO Electrical Yukon (AEY) and (Yukon Energy Corporation (YEC) set out the services for which customers are charged. You stated:

I am against the changes that are starting December 1, 2024, ATCO Electric Yukon and Yukon Energy are “simplifying the format of customer electricity bills to make them easier to understand”. They are combining charges under a single item, rather than explaining what the riders are and why. This is not making them easier to understand.

I am strongly against this method, believe in clarity of documentation, and providing details in invoices.

I am going to provide a short and a long response to your concern. The short response is that YEC and AEY are acting in accordance with Board Order 2023-08 in issuing their invoices in the present format. That Board Order, as well as all documents submitted to the Board in respect of Board processes, including hearings, can be found online at <https://www.yukonutilitiesboard.yk.ca/>.

The longer response goes into a lot of detail, but I wanted to provide some background as to why the formatting the utilities use to set out the various charges on their invoices changed recently.

I’m going to start by describing the mandate of the Yukon Utilities Board and the processes that it follows in making decisions which are reflected in consumer’s invoices.

## **The Yukon Utilities Board**

To start with, the Board is a quasi-judicial agency in the Yukon established under the *Public Utilities Act*. Under this Act, the Board must set just and reasonable rates for the provision of safe electricity service to customers in the Yukon. The purpose of the Act is to conduct independent and objective analyses of rates which the utilities propose. Utilities are not allowed to increase their rates without an application to the Board and a resulting order of the Board on the rates that may be charged.

When considering a rate application, the Board must act in accordance with the legislation and with the law that has been established by courts reviewing decisions of utility boards. By law, the Board must take into account, in its decisions, the financial requirements of the utility, such as fair return for the money invested by the utility as well as the impacts on the customer. It must also consider both the sustainability of the utility and the recovery of rates from customers through reasonable charges for utility service. The Board can only make decisions on the evidence that is brought before it by the applicant utility, or another party, in a hearing.

The Board encourages members of the public to participate in its hearings. Public participation ensures that all issues and perspectives come to the Board's attention in a transparent process. Hearings allow the Board to make a fully informed decision with significant public input. A member of the public may become involved as an intervener. Interveners are individuals or groups who want to take a position on an application before the Board by attending the hearing, providing information and/or evidence, questioning the applicant, and potentially providing a closing statement of position at the end of the hearing. An individual or group must apply to become an intervener and their costs to participate may be paid by the applicant if the Board directs costs to be awarded.

## **Background leading to Rate Rebasing**

### YEC 2021 General Rate Application and Compliance Filing

In 2021, YEC sought approval of its forecast revenue requirements for the 2021 test year. YEC's forecast of \$75.135 million represented an increase for 2021 of \$10.971 million over revenues from existing rates and riders of \$64.164 million (a 17.1-percent increase), which itself represented a total increase of \$25.342 million for 2021 over the 2018 approved revenue requirement.

After a lengthy public process, the Board issued Order 2022-03 in which it found that not all of the forecast revenue requirements for the 2021 test period, for which YEC had applied, were reasonable and, consequently, adjusted or denied specific components of those

revenue requirements. Because the revenue requirement was not approved in full, YEC was ordered to submit a compliance filing with respect to its 2021 GRA within 30 days of the issuance of the Board Order. The purpose of the compliance filing was to finalize and confirm YEC's actual — as opposed to requested — revenue requirement and to true-up interim rates.

On April 14, 2022, YEC submitted its compliance filing. On receipt of it, the Board established a review process which was detailed in Order 2022-06. That review schedule called for YEC to respond to Information Requests and allowed for comments from the intervenors in the YEC 2021 General Rate Application.

On July 12, 2022, after consideration of YEC's responses to the Information Requests and to representations from intervenors, the Board issued Order 2022-07 which stated:

In accordance with the reasons set out in Appendix A to this Board Order, the Board approves YEC's compliance application as filed. YEC's requested changes to YEC's rate riders, Rate Schedule 39 Industrial Primary Fixed Charge, RS39 Fixed Charge true-up and Low Water Reserve Fund (LWRF) Term Sheet are approved effective August 1, 2022. **YEC and AEY are to provide within 180 days of the issuance of this Order a joint proposal to the Board on how to incorporate their riders into base rates.** (Emphasis added)

Appendix A to Order 2022-07 set out, in detail, the new riders and charges that were to be applied and explained at paragraph 19 that:

The Board is concerned that customers may find the application of YEC's and AEY's riders to be confusing. Therefore, the Board directs YEC and AEY to provide, within 180 days of issuance of this Order, a proposal to the Board on incorporating these riders into existing base rates.

### **Rate Rebasing Application**

On January 9, 2023, YEC and AEY responded to the Board's direction in Order 2022-07 with an application which set out four options it had identified for incorporating their riders into base rates. In Board Order 2023-04, the Board set out a process schedule for a hearing into the matter and directed that it be sent electronically to any parties who had previously taken part in a Board hearing. The process schedule, which lasted from mid-February to mid-March 2023, allowed for the Board and all intervenors to make Information Requests to the Utilities on their proposals, as well as final arguments from all parties, including intervenors.

In the case of the Rate Rebalancing hearing, two intervenors presented Information Requests to the utilities and after receiving their responses to them as well as to the Board Information Requests, three intervenors made final submissions providing a variety of perspectives. The Board considered the utilities' responses to all of the Information Requests as well the final submissions of the parties and, on April 17, 2023, issued Board Order 2023-08 which approved "Option 4 and the implementation plan for Option 4 as presented by the Utilities." That option, which, as mentioned above, is available at <https://www.yukonutilitiesboard.yk.ca/>, provided that Rider J and Rider R would be incorporated into Base Rates only for bill statements. The Utilities would continue to track Rider R and Rider J separately on their own respective general ledger accounts which allows for straightforward, clean, automatic revenue transfers between the Utilities. The customer bill statements, however, would not show the Rider R or Rider J. The remaining more temporary riders, which are adjusted regularly, will still display on their own lines.

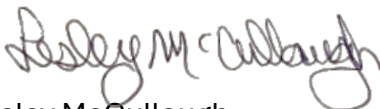
It should be noted that Rider R (AEY) and Rider J (YEC) consistently apply to the Base Rates as opposed to other more temporary riders or adjustments.

Accordingly, the utilities have now implemented Option 4, in accordance with the direction of the Board, resulting in the changes that you see on your energy bill.

The Board encourages you to participate in the next general rate application, filed by either utility, to make your views known to the Board on the record of a proceeding.

Thank you for writing to us with your concerns. While the Board's mandate and its authority is very specific, we believe that there is value in people understanding our legislated process and in people knowing that they have the ability to participate in the hearing process and to bring forward evidence for the Board to consider.

Sincerely,



Lesley McCullough  
Chair