

April 16, 2025

AEY-YEC-UCG-001

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-001

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: Stakeholder consultation. AEY gave brief references as to why they did not consult with stakeholders to receive feedback before applying for a new T&C services regulations. They did not provide any concrete reasons. In the YUB-001 reply, AEY proclaims that stakeholders will reserve the right to consultations during this review process.

Request:

- (a) Give reasons to why AEY/YEC did not consult and unilaterally posed by the utilities, especially regarding per centage amounts of customer versus utility costs in the MIL, changes/increases in customer charges/fees,etc., rights and obligations of customers and the utilities, and in particular the guiding principles of terms and conditions.
- (b) In response to UCG-1 (d), YEC failed to explain how they went about receiving approval from their respective leadership/owners/boards of directors.

Explain how each utility received okay from boards, ect. For example, were the amdinistration transparent in noting that no stakeholder consultation had occurred.

Response:

- (a) AEY did not consider that stakeholder consultation during the Maximum Investment Levels (MILs) review was necessary as the MILs Study focused on determining an appropriate MIL based on project cost information using common principles such ensuring a proper price signal, intergenerational equity and the utility's right to earn a fair return. In terms of the Fees Schedule, the proposed

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values reflect current practices, and the actual work involved when interacting with customers and providing services for those specific requests.

- (b) Both AEY and YEC management provided feedback on the general approach to updating the T&Cs and on the application prior to filing it with the Board.

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AEY-YEC-UCG-002

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-002

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: The utilities state: UCG-2 that "The Utilities will forecast the charges using the approved rates and apply the amount to the revenue requirement for both the fees and charges and updated MILs in their next rate application."

Request:

- (a) Please confirm that all actual T&C changes/increase in charges resulting from this application, including 2025 and all years moving forward will be carried over to the next GRA for each utility.

Response:

- (a) Not confirmed. The changes in the T&Cs, MILs and Fees and Service Charges have been requested to be implemented and applied as of the effective date of the Board Order arising from this proceeding. However, any impacts to the Utilities' revenue requirements will be reflected in their next respective General Rate Applications filed after the approval date.

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AEY-YEC-UCG-003

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-003

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-1-6 (d) the utilities state: "Furthermore, setting the MIL too low results in a distorted price signal to customers as they are required to pay a large up-front payment to obtain service to the electrical grid. Thus, as cited in the Application, it is the Utilities' position that an appropriate MIL, as requested in the Application, balances the interest of both the customer and utility."

Request:

(a) Did the Utilities unilaterally decide on this balance of interest? Explain.

Response:

(a) No. It is a long-standing principle that an appropriate MIL ensures that customers are receiving an appropriate economic signal while enabling the Utilities to earn a fair return on the assets it owns and operates. AEY submits that the proposed MIL balances the interests of both the customer (ensuring an appropriate economic signal for upfront payments of service) and the Utilities (earning a return on assets operated and owned). In support of striking this balance, AEY has provided a comprehensive MILs Study which assessed each MIL rate using a cost per lot/site methodology, supported by a supplemental Desktop Study.

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AEY-YEC-UCG-004

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-004

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: SECTION 3: MAXIMUM INVESTMENT LEVELS (MILs)

An appropriate MIL also contributes to the strength of the Yukon economy by providing a proper signal for upfront costs which may deter new connections if set too low.

Request:

(a) Explain how this comment, as such, aided in the determination of this application.

Response:

(a) AEY notes that this comment was intended to outline the importance of setting a MIL that appropriately provides an effective price signal to investors in the Yukon. Customers, when deciding to invest in the Yukon, consider their total upfront costs, one being the cost of attaining utility service. Setting an appropriate MIL ensures the customers are being sent the correct price signal when determining whether to invest in the Yukon. Please also refer to the response to AEY-YEC-JM-002(b) (Round 1).

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AEY-YEC-UCG-005

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-005

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG 1-8 (c) the utilities state: "The present study was based on a more extensive dataset that allowed the use of median values, instead of the average, and the specific calculation of Residential Multiple Dwellings projects."

Request:

- (a) Explain the difference between the specific calculation of residential multiple dwelling with that of how residential single dwellings and general purpose dwellings are determined.

Response:

- (a) The response referred to in the preamble explains that the Residential Multiple Dwelling MIL had a dedicated calculation in the present MILs Study. This calculation was being discussed in comparison with the previous MILs Study, rather than with the other service types. In the previous Study, the Residential Multiple Dwelling MIL was not specifically calculated as it was based on a simple ratio derived from the Residential Single Family MIL. In the current Study, Residential Single Family, Residential Multiple Dwelling, and General Service MILs are all individually determined. Please refer to the MILs Study filed in this Application for detail by MIL class.

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AEY-YEC-UCG-006

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-006

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In UCG-9 the utilities respond: (a)"The Utilities follow a meter dispute process when a metering concern is identified"..... (d)"These costs are borne by the customer as this is a customer request to provide a service up-front, rather than awaiting the results of the meter test."

Request:

- (a) Provide the meter dispute process/policy adopted by the utilities.
- (b) Explain what is meant by "service up-front rather than awaiting the results of the meter test." i.e. How does the customer have a choice in this matter, except to keep the meter that is under question.

Response:

- (a) The meter dispute process is handled in accordance with the guidelines provided in the T&Cs. Specifically, Article 6.3 outlines the process for meter testing and Article 7.11 addresses disputes around the bills and billing amounts. AEY-YEC-UCG-006(a) Attachment 1 provides a sample copy of the application for meter dispute testing for AEY.
- (b) The reference is to outline the process around when the customer is billed for the service. In this case, the customer pays upon requesting the service. The Utilities attempt to resolve the matter with the customer first. However, if the customer requests a meter dispute testing or refuses to work in good faith, fees for service along with Measurement Canada fees are invoiced. If there is a problem with the

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AEY-YEC-UCG-006

meter, the customer will be eligible for a rebate or adjustment based on Measurement Canada's findings.

APPLICATION FOR ELECTRIC METER DISPUTE TEST





NORTHLAND UTILITIES (NWT) LIMITED
An **ATCO** Company



THE YUKON ELECTRICAL COMPANY LIMITED
An **ATCO** Company

| | | | |
|---|---------------------------|----------------------------------|--------------|
| Application for test made by (CHECK) <input type="checkbox"/> Customer <input type="checkbox"/> Company | | Customer's Name | |
| Customer's Address | | Customer's Phone | |
| Reason for Dispute Test: | | | |
| Meter # | Manufacturer | | Type |
| Serial # | Customer Site ID # | | Billing Rate |
| ONLY RESIDENTIAL METERS MAY BE REMOVED WITHOUT PRIOR APPROVAL OF MEASUREMENT CANADA INSPECTOR. SEE NOTE 1 ON REVERSE SIDE. | | | |
| Energy Reading (kWh) | Demand Reading (kW / kVA) | Billing Multiplier | |
| Condition of Meter | | Condition and Year of Meter Seal | |
| Remarks | | | |
| <i>I, the dispute applicant, have read the conditions and regulations contained on the reverse side.</i> | | | |
| Applicant's Signature | | Date (YEAR / MONTH / DAY) | |

| |
|---|
| Meter shipped to: <input type="checkbox"/> AE Grande Prairie |
| Customer intends to witness test ? <input type="checkbox"/> No <input type="checkbox"/> Yes Note: For single phase residential meters, the meter will be removed and sent to the ATCO Electric meter shop, and the meter shop will advise Measurement Canada of the request for dispute test as well as the intention of the customer with respect to witnessing the test. If the customer intends to witness the test, Measurement Canada will then communicate with the customer and attempt to arrange the testing to be witnessed, and advise the meter shop of the location to send the meter for testing. |
| Company intends to witness test ? <input type="checkbox"/> No <input type="checkbox"/> Yes |

| | | |
|--|----------------------------------|---------------------------|
| <i>The above information is found to be correct.</i> | | |
| Company | Service Point | |
| Utility Representative (PLEASE PRINT) | Utility Representative Signature | Date (YEAR / MONTH / DAY) |

Measurement Canada
Regulations Governing Dispute Testing of Electric Meters

1. Residential meter means self-contained single phase energy including farm up to 200 Amp (excluding Network). Non-residential meter means all other types including farm over 200 Amp and Network. The customer and the utility understand, that in disputes involving a residential watt-hour meter and upon completion of this application for a dispute test, the utility is authorized to remove the meter and forward it directly to the APL meter shop or, if customer wishes to be present during the meter test, to the customer's chosen location address given in Note 8 (c). All costs incurred in shipping the meter will be born by the utility. For disputes involving non-residential meters, meters shall not be removed from service pending further direction from the MC district manger. The non-residential meter, if to be removed, shall be sent to the APL meter shop in Grande Prairie or, only if meter test is to be customer witnessed, customer's chosen address given in item B (c).
2. The utility shall provide a complete billing history of the disputed meter, back-dated no less than three months from the date of application for dispute. Should this period reflect estimated readings, a complete history shall be provided back to the period the meter was read prior to the specified three month period.
3. Upon receipt of the application for a dispute test, Measurement Canada shall, after due notice has been given to both parties, carry out the tests in accordance with Electricity and Gas Inspection Act, its Regulations and Specifications.
4. Both parties to the dispute may be represented during the dispute meter test: but, in no case shall they interfere with the inspector in the carrying out of the test. If either the customer or the utility are dissatisfied with the findings of the inspector, and the dissatisfied party so requests in writing, the division manager shall refer the matter to the president of the Measurement Canada. Written notification must be received by the district office of Measurement Canada within 30 days of the written report of the dispute test findings.
5. The following requirements respecting acceptance or rejection of the meter shall be observed:
 - (a) A meter having a seal intact and found with an error within 3 percent for watt-hour meters and a 2½ percent of full scale for demand meters shall not be considered as having penalized either party and no rebate or adjustment will be required.
 - (b) A meter found with an error exceeding 3 percent for watt-hour meters and a 2½ percent of full scale for demand meters, or found not to meet satisfactorily the requirements of the Electricity & Gas Inspection Act, shall be considered as having penalized the customer or the company, as indicated by the tests and a billing adjustment shall be made for the full error for the duration of the error noted below.
 - (c) The meter in question shall be held at location of meter test for a period of not less than 30 days form the date of the test.
6. Unless an examination of past meter readings or other information clearly indicates the time at which the error occurred, the error shall be deemed to have existed:
 - (a) For a period of three months prior to the filing of the dispute or from the date on which the meter was last installed in service, if the installation in service took place within three calendar months pervious to the dispute application or
 - (b) From the date of incorrect connection, if the meter is found to have been incorrectly connected, or
 - (c) During the whole period that an incorrect multiplier has been in use, if an incorrect multiplier has been applied.
7. All condition and regulation as outlined in the Electricity & Gas Inspection Act shall apply in safeguarding the right of the consumer in a dispute. Information regarding the availability of the act and regulations can be obtained upon request from the district office indicated in item 8 of this form.
8. Mail instruction for dispute form and addresses and telephone numbers.
 - (a) When a residential meter is removed, send white copy of the dispute form to the Measurement Canada in Edmonton for utility testing in Grande Prairie or, if customer to witness the meter test, to the customers chosen test address of the Measurement Canada in Calgary, Vancouver or Edmonton. (If Grande Prairie is witness test site send white copy of the dispute form to Measurement Canada Edmonton.)
 - (b) For non-residential meters involving on-site testing and Measurement Canada instructions for removing of the meters, send white copy of the dispute form to:
 - (i) In Alberta from an east-west line between townships 38 and 39, in the area south of this line send white copy of the dispute form to the Measurement Canada in Calgary and in the area north of his line send white copy of the dispute form to the Measurement Canada in Edmonton.
 - (ii) In the NWT send white copy of the dispute form to the Measurement Canada in Edmonton.
 - (iii) In the Yukon send white copy of the dispute form to the Measurement Canada in Vancouver.
 - (c) Address and telephone numbers are:

Meter Shop, **ATCO Electric**
9602-123 Street
Grande Prairie AB T8W 0J7
Telephone: (780) 538-7018
Fax: (780) 538-7042

District Manager, **EDMONTON District**
Measurement Canada
9305 - 50 Street
Edmonton AB T6B 2L5
Telephone: (780) 495-5044
Fax: (780) 495-7724

District Manager, **CALGARY District**
Measurement Canada
639-5th Avenue South West
Calgary AB T2P 0M9
Telephone: (403) 292-5477
Fax: (403) 292-6175

District Manager, **VANCOUVER District**
Measurement Canada
3625 Lougheed Hwy
Suite 110
Vancouver BC V5M 2A6
Telephone: (604) 666-7585
Fax: (604) 666-0839

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AEY-YEC-UCG-007

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-007

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In UCG-10 the utilities respond: “(a) No, the ratios between Customer Contribution and Company Investment are not the same as in 2011. (d) The cost ratio is an outcome of the MIL Study; however, it should not drive the MIL amount. The variation of the ratio over time highlights the importance of periodically updating the MILs Study and adjusting MILs annually. (e) No. The Utilities are seeking approval to apply the Whitehorse CPI annually in years when the MILs and the Fees Schedule are not being updated to ensure ongoing alignment with inflation. This request strikes a balance between ensuring the MILs and the Fees Schedule remain aligned with cost escalations while recognizing that MILs and the Fees Schedule will not be reviewed in detail annually and promotes regulatory efficiency.”

Request:

- (a) Give precise reasons why the ratio between customer contribution and company investment for each single residential, multi-residential and general service (i.e not because they need to be periodically updated) are requested to be changed for this application.
- (b) For e), Explain why the utilities are wanting to apply annual inflation indexes to this process of T&Cs going forward, when they state earlier in these IRs that inflation is not an accurate way to determine these changes.
- (c) Is this no-notice application request to change MILs and Fees each year going forward, in effect, the utilities applying for yet another deferral account changing each year without regulatory scrutiny? Explain.

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AEY-YEC-UCG-007

Response:

- (a) AEY's proposed MILs are not determined by the ratio between customer contribution and company investment. Rather, the ratio is an outcome of the MILs Study. The MILs Study is a cost-based study, supplemented by a Desktop Study. The ratios are an outcome of the MILs Study, not the driver, and the Utilities are requesting approval of the updated MILs as detailed in the Application and MILs Study.
- (b) Although the inflation indices do not perfectly correlate with Utilities costs, they remain the best option available to ensure that both MILs and the Fee Schedule are generally aligned with inflation for the years when a rate case is not in front of the Board.
- (c) No. This would not be a deferral account. In years when a rate case is not in front of the Board, the Utilities would file an application which would take the current year's approved MILs and Fees and apply the prescribed CPI to set the following year's MILs and Fees. The Utilities would not be seeking a true-up to these figures and would request they be set as final.

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AEY-YEC-UCG-008

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-008

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG 1-11 (c) the utilities state: "Utility employees consider each situation on a case-by-case basis and work with customers on keeping their accounts in good standing to avoid disconnection. Payment plans are often worked out with customers to allow for gradual payback on arrears." In further response UCG-14 on the question of adding late payment charges, collection fees or dishonored payment fees the utilities explain: (e-f)Late payments charges are managed by the billing system and are applied automatically to bills. However, the Utilities' billing staff will work with customers on a case-by-case basis and can accommodate payment arrangements in certain circumstances to assist customers who are in arrears.

Request:

- (a) The utilities have not answered the question about how punishing customers with penalties for over due or under payed accounts help the customer with keeping up with payments. Please answer.
- (b) Since the utilities claim that it is an automatic billing system that is the culprit and that they will work on a case-by-case to accommodate payment arrangements to assist customers who are in arrears, please confirm that the utilities will delete the collection fees, late payment charges, dishonored payment fees in such cases.

Response:

- (a-b) At a holistic level, the various charges such as reconnect/disconnects/late payments are implemented to ensure fairness to the various customers on the system. These are key and long-standing principles used in utility ratemaking. The

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AEY-YEC-UCG-008

Application of charges fairly and consistently for all customers avoids cross subsidization or, in other words, punishing one customer for the benefit of another. The Utilities do have some discretion to waive late fees on a case-by-case basis depending on the unique circumstance of the case, such as statement errors, estimate bill discrepancies or if an extended period for the payment plan is necessary. To help the customer keep up with payments, as outlined in the response to AEY-YEC-UCG-011(c) (Round 1), the Utilities work with customers on a case-by-case basis by offering various options such as payment plans and annual budget plans.

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AEY-YEC-UCG-009

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-009

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: **UCG 0-13 asks:**

The Maximum Company Investment Levels set out in this Schedule are effective **January xxx 1xx, 2011xx.**

1. Subject to the provisions of paragraph 2 of this Schedule B, the maximum Capital Cost which the Company will incur to extend Service to a Point of Service (herein referred to as the "Maximum Company Investment") shall be determined as follows. Under no circumstances would the Maximum Company Investment exceed the Customer extension cost:

(a) Residential Service:

\$1,500 **10,337** per single family dwelling; and \$ 725 **2,645** per Multiple Dwelling unit

(b) General Service:

\$690 **1,801** per kW, which shall not be less than five kilowatts, provided that if the estimated service life is less than 25 years or seasonal, then the Maximum Company Investment shall be determined in the manner described in paragraph 2; At the end of one year of Service the Company will re-assess whether the Customer's estimates of their Demand were accurate and, if the loads are significantly different than originally estimated, will collect from the Customer (or refund) any contributions, that are required based on the Maximum Company Investment rules in place when the contribution was originally paid.

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(c) Municipal Street Lighting:

\$1,240 **6,649** per light.

- (a) Explain why residential single family increased 590% while multiple dwellings only went up 265% and general service only 161% since last filing.
- (b) Explain why single family residential MIL was only twice the amount of multiple last filing but 4 times this filing.
- (c) Explain why street lighting went up 440% since last filing.

In response to UCG-013 the utilities state: (a) AEY has conducted a comprehensive MILs Study for each MIL class, utilizing 10 years of historical data with a relevant sample size of projects to establish appropriate MILs that reflect actual project costs.

This was supplemented by a Desktop Study to assess reasonableness. The different percentage increases reflect the uniqueness of each service type, including development trends such as sizing, density, bylaw requirements, etc., captured in the individual MIL class assessments.

Request:

- (a) Explain with examples of how the utility decided their numbers on each of the three questions presented by the UCG above.
- (b) Did the utility consult with customers when deciding the cost sharing amount and percentages or was this done unilaterally?
- (c) Explain exactly how the cost sharing for each of the above i.e. single residential, multiple residential, general, industrial and street lighting were determined.

Response:

- (a) The MILs were based on a comprehensive dataset of actual costs from historical projects. AEY calculated the median cost of the dataset and proposed it as the MIL amount. This calculation was performed for each service type. Therefore, it is not

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feasible to present a single example in this response. Rather, AEY presented in the Appendix B - MILs Study Excel, attached in the Application on December 20, 2024, all the available actual projects and detailed calculations used to derive each of the proposed MILs for the residential, general and street lighting services.

- (b) As described in response to AEY-YEC-YUB-036(f) (Round 1), given that the MILs were determined using actual project data and a Desktop Study, AEY believes that stakeholder/customer consultation would not have significantly contributed to the process or have significantly assisted with that work.
- (c) AEY conducted a cost per lot/fixture assessment when determining the proposed MILs, as detailed in the MILs Study. This assessment, supported by additional references such as the Desktop Study, produced the median cost per lot/fixture which should be covered through an appropriate MIL. Actual costs above the MIL rate, from, for example, customers choosing to locate further away from the distribution system, will be paid in the form of a contribution by the customer driving the additional cost. The MIL Study, supplemented by the Desktop Study, ensures that the MIL is striking the balance between sending an appropriate price signal and ensuring the utility can earn a fair return on assets it owns and operates.

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**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-010

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-14 the utilities state: “ (d)As proposed in the T&Cs, in the context of Supplementary Meter Reads, a Standard Meter read is a customer-requested meter read for a Standard Meter, which would be conducted remotely, requested outside of the normal schedule of meter reads. In the event the meter has not been converted to AMI by the Utilities during the transition from conventional meter to AMI meters the customer would be charged the standard meter reading rate.”

Request:

- (a) Since there is a major cost charge for Standard Meter reads (3.8) \$11.00 (per read per meter) and Non-Standard Meter reads (in person) (3.8) \$87.00 (per read per meter), explain the difference in charges and the reason for these differences of charges.

Response:

- (a) Standard Meters (e.g., AMI) can be read remotely and readings require less time to perform. The charge of \$11.00 relates to the labour time required to access the system and pull up the information. On the other hand, Non-Standard Meters (not AMI or conventional meters) will require an in-person site visit and truck roll, which are reflected in the higher charge of \$87.00. It is important to note the proposed \$87.00 fee will apply only for customers who, at the time their premise is due for replacement of a Non-Standard Meter with a default Standard Meter (or at the time of a new meter installation at the premise with a default Standard Meter), opt instead to use a Non-Standard Meter. The fee will apply for any requested meter

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following the customer's choice to use the Non-Standard Meter rather than the default Standard Meter.

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**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-011

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-15 the utilities rationalize how they have determined the costs in the MIL study for the differing types of service be it single residential, multiple residential and general service.

Request:

- (a) What UCG wishes to understand is how the utilities determined that the portion of customer cost of the total cost is 61% for single residential, 53% for a multi residential, 49% for general service and 82% for street lights. Please give reasons for each customer base and explain.

Response:

- (a) As outlined in the response to AEY-YEC-UCG-007(a) (Round 2), AEY's requests are not driven by or focused on the ratio between customer contribution and company investment. Rather, AEY has based the requested MIL amounts based on a cost-based study, which included both a cost per lot/fixture study and a Desktop Study. The ratios are an outcome of the comprehensive MILs Study, not the driver. The percentages indicated in the request are the results of the MILs Study and represent the company investment in relation to the total extension costs. The calculations apply the proposed MIL to each of the historical projects to determine the corresponding company investment. The company investment is the minimum value between the extension cost and the MIL. The ratio between the total company investment and the total extension cost is represented by the indicated percentages. Please refer to the Application, Appendix B, for a detailed calculation.

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AEY-YEC-UCG-012

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-012

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-15 the utilities state: "(f)In Section 2.1 of the T&Cs, "Multiple Dwelling" is defined as "a residential building containing more than one Single Family Dwelling unit". The extension to a multiple Dwelling will be shared between the units, as well as its cost. As such, in conducting the MILs Study, AEY evaluated historical projects costs for each service type separately (i.e., Multiple Dwelling and Single-Family Dwelling) and identified that service extensions to multiple dwellings, on a per dwelling basis, are generally less expensive than those to single units. This fact is reflected in the MIL calculation, currently at a Multiple Dwelling to Single-Family Dwelling ratio of approximately four as mentioned in the question. Each dwelling from the same service point will have its corresponding MIL and investment.

Request:

- (a) What UCG wishes to understand is how the utilities determined four was the proper ratio.

Response:

- (a) AEY did not establish four as a proper ratio or an input to the MILs Study. Rather the ratio of four is the outcome of the comprehensive MILs Study conducted in Appendix B of the Application. For further clarity, AEY first conducted the MILs Study for residential and multi-dwelling MILs based on analysis using actual project data supplemented by a Desktop Study. After the MILs were determined, the ratio of four was calculated based on those results.

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AEY-YEC-UCG-013

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-013

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-15 the utilities state: (b)The generic guidelines principles with respect to establishing an appropriate MILwere developed following the direction of the Alberta Utilities Commission (AUC or Commission) under Decision 2008-011 that FAI discuss a common approach to MILs with other utilities and stakeholders. The Utilities note that Yukon ratepayers did not participate; however, these guiding principles are standard guidelines that can be used to develop appropriate MILs in any jurisdiction.

Request:

- (a) Provide these generic guideline principles with respect to establishing an appropriate MIL in another jurisdiction.

Response:

- (a) Please refer to the guidelines below, which are also available in the Application in Appendix A of the MILs Study:

(1) MILs should be set to achieve a reasonable balance of what an individual Customer pays upfront through a Customer contribution versus what all Customers in a particular rate class pay through ongoing rates;

(2) MILs should provide economic discipline and price signals to new Customers;

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(3) The maximum amount that the Company invests in a new extension on behalf of all customers should consider the expected longevity or any other risks associated with the new service;

(4) The current cost to connect new Customers is the appropriate starting point for establishing MILs;

(5) Setting of MILs needs to respect the utility's standards of service, while recognizing that these standards and the associated costs will change over time;

(6) Changes to MILs should balance the need to attain the target MILs over a reasonable timeframe, while ensuring there is not undue upward pressure on tariff rates;

(7) Adjustments to MILs should consider minimizing intergenerational inequity and cross-subsidy, whereby the portion of the cost of an extension that the Company invests in should be in similar proportion with previously established investment levels. Both new and existing Customers should be treated similarly to the extent possible and should see similar price signal when the system is or was extended to provide service;

(8) To the extent practical, the structure of MILs should generally align with cost causation and the rate structure which is applied to the Customer;

(9) MILs should be simple to administer and applied in a consistent and transparent manner; and

(10) Utilities should take into consideration the approaches of neighboring utilities when developing MILs.

Please note that AEY does not consider these principles to be with respect to establishing MILs in another jurisdiction. Rather, as explained in the referenced

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Information Request (IR) Response, the guiding principles are standard guidelines that can be used to develop appropriate MILs in the Yukon as well.

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AEY-YEC-UCG-014

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-014

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to UCG-17 the utilities state: "(a-b)Please refer to AEY-YEC-UCG-015(f). There is a fair balance between single and multiple dwellings as the extension cost for a Multiple Dwelling is shared among all of its units." And in response to UCG-18 the utilities state: "(a)A Multi Dwelling is a separate rate class for MILs and has different attributes compared to the residential MIL class. For example, for Multi Dwelling's one extension can serve multiple units or Service Points in near proximity (e.g., an apartment building). As such the development of service extensions to multiple dwellings is generally less expensive than to individual residences.

Request:

- (a) UCG understands that is less costly to put in a service extension for a multi-residential which can serve multiple units or Service Points in near proximity, but what we want to know is how the utility determines how much to charge each individual customer receiving this service.
- (b) How does the utility determine what to charge for a duplex for example as compared to a 12 plex or a multi unit apartment complex.
- (c) How does this individual charge on a multi residential compare to a single residential charge.

Response:

- (a) The MILs are a maximum dollar figure applied to each unit. The Utilities are requesting that the MIL rate for multi-dwellings be set at \$2,645/site. In terms of process, the Utilities work with builders, developers or customers to determine the

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number of units that will be eligible for the MIL rate. To the extent that the actual costs are higher than the MIL rate (which is calculated based on the number of units multiplied by \$2,645), the builder, developer or customer would be required to pay the difference. MIL rates are fixed in nature as they represent the maximum amount the utility can invest in a given development. Please refer to the response to AEY-YEC-YUB-038(j) (Round 1).

- (b) Please refer to response (a) above. The MIL applies to each unit in either scenario. The builder is billed based on actual costs after project completion, minus Utility investment.
- (c) The multiple residential project costs are lower than the single-family new extension project costs. The data presented in Table 2 of the Application (PDF page 8) shows the typical costs for Residential Single-Family vs. Residential Multiple Dwellings.

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AEY-YEC-UCG-015-1

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-015-1

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-007, the utilities reply: "The proposed changes simply aim to clarify, add transparency and increase the ease of understanding of the provision. The Canadian Electrical Code (CEC) sets minimum standards for electrical installations to protect individuals, properties, and the environment from hazards such as fires and equipment failures. Compliance with the CEC is required. Many regulatory authorities, such as seen in the Yukon, enforce the CEC to ensure safe and effective electrical installations."

Request:

- (a) Explain how the changes in the CEC since the last T&C review in 2011 were incorporated into the standards of operations, for each of the years before this application, by each utility.
- (b) How was this regulated since 2011?

Response:

- (a) Standards and best practices are updated as needed to reflect evolving code requirements and best practices. AEY does not have a list of CEC changes since the last review of the T&Cs. Recent examples of CEC changes causing changes in Utility operations and standards include the recent provisions for Electric Vehicle (EV) charging (CEC 26-720 and Yukon Electrical Bulletin 22-1). As a result of this guidance, the Utilities have increased system loading design standards to allow for future EV use.

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- (b) Qualified electrical contractors are responsible for building according to applicable codes, including the CEC. Yukon Government Electrical Inspections is responsible for ensuring compliance with the CEC.

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AEY-YEC-UCG-015-2

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
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Received: April 2, 2025**

AEY-YEC-UCG-015-2

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-008, the utilities reply: "Proposed changes to the T&Cs will ensure that additional costs for reading Non-Standard meters are properly allocated to the customer who has chosen to opt-out of the Standard meters."

Request:

- (a) Confirm all new meters now being installed are AMI. If not, why not?
- (b) Confirm if a person wishes to opt out of the standard meters for a new AMI, they will not be charged for this change over.

Response:

- (a) Since AMI works in conjunction with a remote communication network, at present, AMI meters are being installed as standard meters in the areas where a remote communication network has been established. In areas where a remote communication network is not available, conventional meters are being used until a remote communication network is established.
- (b) Pursuant to the amendments to the T&Cs proposed in the Application, AMI meters are considered the Standard Meter. If a customer opts out and has a conventional meter (Non-Standard Meter) already installed, they will not be charged for the installation of the Non-Standard Meter.

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AEY-YEC-UCG-016

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-016

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-009, the utilities reply: "(c)AEY and YEC do not have data on the number of instances of harmonic and interharmonic distortions that have been found."

Request:

- (a) How are harmonic and interharmonic distortions important to limit?
- (b) Does AEY have intentions on monitoring these dictortions going forward? Explain

Response:

- (a) Limiting and filtering harmonic and interharmonic distortions is important to ensure the proper functioning of electric equipment and the overall electrical system. These distortions can cause undesirable overheating to transformers, conductors and other electric equipment. For example, harmonic distortions can cause resonance in the electrical system, leading to significant voltage and current fluctuations. This can increase the risk of power outages.
- (b) Monitoring harmonic and interharmonic distortions can vary depending on the specific needs of the electrical system. A widely accepted approach is to check harmonic limits where there are significant changes in the system. For example, the addition of new equipment which is suspected of harmonic/interhamonic pollution (e.g., power electronic devices, variable frequency drives, arc furnaces, or welding machines).

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AEY-YEC-UCG-017

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-017

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-011, the utilities reply: "c) AEY's proposed customer usage information request fee includes engineering and IT resources which it seeks to recover as part of its customer service rate." And (d) AEY user fees are based on services time and materials used."

Request:

- (a) Provide details of engineering and IT resources are used and how they are costed to connect or reconnect a single residential customer.
- (b) Provide details of materials used in each of the requested customer charges.

Response:

- (a-b) Please refer to the response to AEY-YEC-YUB-005 (Round 2). In addition, as indicated in the response to AEY-YEC-YUB-011 (Round 1), engineering and IT resources are in reference to the proposed Customer Usage Information Request and are not included in the charge out rate for connect/reconnects. Please also refer to the response to AEY-YEC-YUB-010 (Round 1) for details regarding the tasks and steps taken for connect and reconnect services.

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AEY-YEC-UCG-018

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-018

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-012, the utilities reply:

Request:

- (a) Confirm that a customer usage report is a one or two page print out of the amount and costs of electricity used for the past year or past 12 months.

Response:

- (a) Not confirmed. A consumption report is not a simple print out and includes detailed information beyond usage and costs. Provided the customer's service has been active, the report may cover a period extending over several years prior to the request date. Please refer to the response to AEY-YEC-YUB-006 (Round 2) for additional details.

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AEY-YEC-UCG-019

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-019

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-016, the utilities reply: “ There was no impediment on the part of the Utilities that prevented either or both utilities from proposing updates to any of the T&Cs, MILs, or Fee Schedule after July 1, 2011. The Utilities work with customers daily to ensure electricity needs are being met. The currently-approved T&Cs continued to provide guidance in achieving this objective. This is demonstrated by the minimal changes being sought to the T&Cs in this Application.

Request:

- (a) Explain how the Utilities work with customers daily to ensure electricity needs are being met when no customer consulting was even done to entertain this application.
- (b) Did you perform a survey or any type customer consult to actually see if the ratpayers agree that the charges requested are minimal to them?

Response:

- (a) The Utilities work with customers on a daily basis to ensure safe and reliable service. These interactions are in various forms, such as service connection requests, billing inquiries, municipal and government discussions, service quality, compliance requirements and community engagement. The objective of the T&Cs is to provide guidance regarding customer and utility requirements, while balancing the need for flexibility to address unique and one-off scenarios.

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- (b) No. Other than the information gathered through daily interactions with customers, the Utilities did not conduct surveys or consultations. The proposed changes are based on historical information and experience of office and field staff and have been developed with key principles in mind such as intergenerational equity and sending an appropriate economic signal.

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AEY-YEC-UCG-020

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-020

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-024, the utilities reply: “ Examples of additional or supplementary services for which costs are not specified in Schedule D are set out below. In these cases, costs would be flowed through to the customer as discussed in the response to (c) below:

- a. Call-out fee for after-hours reconnects, which would be based on employee overtime rates; and
 - b. Auto pay non-sufficient funds (NSF) charges.
- (b) Typical frequency of occurrences for the two examples noted above are:
- a. Call-out fee for after-hours reconnects: Approximately 20 per year.
 - b. Auto pay NSF charges: Approximately 100 per month.
- (c) While the costs are not specified in Schedule D specifically, the costs are flowed through to customers in providing services that support our customers.
- (d) Fees for these types of additional or supplementary services are cost-recovery only and reflect the actual cost of the work done. With respect to the examples above, for after-hours callouts, the Utilities will advise the customer of the applicable charge in advance. NSF charges are outlined in the preauthorized payment form when customers sign up for autopay.”

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Request:

- (a) Explain why these cost recoveries are not reflected in the T&Cs so that customers have a clear transparency on these charges.
- (b) Since auto pay out NSF are approximately 100 per month, explain why this method of payment is still utilized by the company?

Response:

- (a) Please refer to the response to AEY-YEC-YUB-009 (Round 2).
- (b) AEY would like to clarify that the NSF quantity listed includes two components: NSF bank charges and failed credit card charges. AEY estimates that NSF bank transactions occur on average 10 to 15 times per month. Failed credit card transactions are estimated to occur between 90 to 110 times per month. AEY provides these options for customers to use their preferred method of payment. The success rates for automatic bank and credit card charges are estimated to be 99% and 98%, respectively. Because of their high success rates and convenience to customers, AEY continues to provide these payment options.

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AEY-YEC-UCG-021

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-021

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-030, the utilities reply: “Reconnection (a) For Major Industrial and General Service customers with peak demands greater than 500kW the Customer shall pay the minimum monthly bill for each month of disconnection; (b) For all other customers, the Company may request that the Customer pay the minimum monthly bill for each month of disconnection. The Company may add a Collection Fee as specified in Schedule D if a site visit is required to attempt collection of overdue accounts and Service is not disconnected or for delivery of a notice of pending disconnection.”

Request:

- (a) Explain how the utilities will place this vague comment (b) into the T&Cs so it is obvious to the customer what is the expectation (i.e. not left to utility to “may request” or “may add a collection fee.”)

Response:

- (a) The intent of the phrasing of this clause is to provide flexibility to address specific case-by-case circumstances and to avoid adverse behaviors from the customer. For example, if a customer requested disconnection voluntarily for a month during a vacation to avoid the fixed charge, which is intended to recover the fixed costs of the system, it may be appropriate to request that the customer pay the minimum monthly bill with respect to the disconnection.

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**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-022

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-031, the utilities reply: "Examples of no access when this provision would have been necessary, include: meter reading where meters are blocked by snow/ice; where junk and debris are blocking the meter; where the customer's aggressive dogs were in the yard preventing the safe entry of meter readers; the meter reader was told to not enter an area; and did not have a key if the meter is behind a door."

Request:

(a) Explain why these are not written into the T&Cs to provide clarity for the customer.

Response:

(a) The examples provided in AEY-YEC-YUB-031 (Round 1) are for "No Access" and were not intended to represent an exhaustive list. It would not be possible to outline all examples or scenarios where "No Access" can occur; rather, flexibility is required. Section 5.2 of the proposed T&Cs provides clarity by stating: "The Company may charge a "No Access Fee" as set in Appendix D any time the Company's entry is attempted but terminated by the Company's employees, agents or other representatives for reasons of safety or where entry is otherwise prevented, hindered or refused."

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AEY-YEC-UCG-023

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-023

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-032, the utilities reply: "The steps described in (e) are consistently followed to ensure that customers are receiving the proper rate charges and interim rebate."

Request:

- (a) If estimates are for more than one month in arrears of actual reading, explain how the utility ensures that customers are receiving the proper rate charges and **interim rebate Per Month**, especially if the estimated readings are above the 1000Kw.h per month and the second block clicks in.

Response:

- (a) In such a case, the Utilities would apply a proration between actual meter reads. For example, if a customer has an actual meter read in October and an estimate for November and December, and then an actual read in January, the Utilities will take the difference between both actual meter reads and prorate the number of days in each billing period.

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AEY-YEC-UCG-024

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-024

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-032, the utilities reply: "The Utilities post payments daily. Customers providing payment on or before the due date would not be subject to late fees."

Request:

- (a) Please answer the question clearly that if a payment is made on or before the due date but the actual transaction is beyond this date will the customer be charged late fees?

Response:

- (a) Please refer to the response to AEY-YEC-YUB-013(a) (Round 2).

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AEY-YEC-UCG-025

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-025

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-038 the utilities responnd: **k.** “The Desktop Study provides a reference point for the minimum extension cost required to supply a typical new customer without cost sharing. The “customer without cost sharing” case was adopted because it reflects the majority of the new extensions. For instance, from 2014 to 2023, 83 percent of Residential Single Family extensions were for a single customer without cost sharing. Projects involving hundreds of customers, such as Project ID 783 (AEY is assuming that the reference in this request to Project ID 773 is meant to refer to ID 783), accounted for less than 1 percent of the projects during the same period.” And **j.** “Extension costs are influenced by several factors, including location, distance to the grid, existing installations, and number of customers.”

Request:

- (a) Explain why the majority of extension costs to supply a typical new customer are without cost sharing.
- (b) Does this not then go directly into the utility cost which is payed for by all residential customers in the revenue requirment? Explain.
- (c) Explain how this is fair to those having to pay a cost sharing amount.
- (d) Explain how underground and overhead services costs are distinguished in the T&Cs.
- (e) Since extension costs are influence by several factors such as location, distance to grid, existing installation and number of customers, how can the uutilites base an MIL on average or median costs?
- (f) Is determining MIL on average and median costs a fair method? Please answer

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yes or no without utility rationale.

Response:

- (a) The Desktop Study was conducted considering the current costs of an extension to supply a new customer in Whitehorse. In this case, the typical extension cost was deemed to include a single-phase overhead connection, with one transformer, one pole, and 30 meters of cable. Cost sharing in Whitehorse, which the Desktop Study used as a reference point, is not historically common.
- (b) No. The MIL is the maximum amount that the utility can invest. Any actual costs above the fixed MIL are charged to the builder, developer or customer. AEY has conducted a comprehensive MIL study to ensure an appropriate MIL is set using a cost per lot/fixture methodology supplemented by a Desktop Study.
- (c) Please refer to the response to part (b), above.
- (d) AEY is assuming this request refers to the MILs Study. There is no distinction between underground and overhead service costs in the MILs Study. The MIL is the maximum amount that the utility can invest, regardless of whether the new extension is underground or overhead. Consequently, customers with higher actual costs end up paying higher upfront contributions above the MIL level.
- (e) The MIL aims to balance and consider differences such as location, distance to grid, existing installation and number of customers. A median cost MIL means that customers with less expensive extensions will not contribute to the extension cost, while more expensive extensions (e.g., distant, underground, isolated) must contribute a fair share of the extension cost.
- (f) Yes, determining a MIL on average and median costs is a fair method.

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AEY-YEC-UCG-026

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-026

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-039 the utilities explain: "The 2025 proposed MIL would cover 84 percent of the total cost being invested by the company, whereas the 2011 approved MIL would cover only 18 percent of the average connection's total costs. The currently approved MIL leads to an improper price signal and an undue economic discipline being imposed on customers, who are currently contributing 82 percent of project costs on average, with the utility contributing 18 percent."

Request:

- (a) Does this include city street lighting or is this for an individual customer?
- (b) If a customer for example lives at a area outside of a community where street lighting is paid for through city taxes, why should this customer now get a preferential treatment when it is they who chose a particular lifestyle (i.e. why should all other customers pay 82 per cent of this lifestyle choice)?

Response:

- (a) The proposed MIL only includes municipal (city) street lighting, such as those installed during the development of a new subdivision. Private street lighting is not invested in by the Utilities and, therefore, is not subject to MILs.
- (b) The proposed MIL is set in a way that it takes the median of the historical project costs. In the scenario proposed in the request, the customer would have to pay for all costs above the fixed MIL level. This ensures fairness amongst all customers (i.e., no preferential treatment) and sends an appropriate signal to the customer

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who is choosing to locate further out of town, thereby requesting additional streetlights or upgraded fixtures. In the scenario above, for clarity the city would be the customer of the utility for city lights. Further, MILs are not applicable to private street lighting.

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**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
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**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-027

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: In response to YUB-040 the utilities respond: (a) "The Handy-Whitman Index was adopted due to its better representation of the electric utility business, including, for example, impacts of supply costs specific to the utility industry. The CPI is more general as it represents the cost of a fixed basket of goods and services purchased by consumers."

Request:

- (a) Explain why the utilities claim that utilizing average cost indexes, either HWI or CPI Whitehorse, you still propose this method in your determination of MIL.
- (b) Explain if the utilites used either of the cost indeces in determining the MILs in the study and in the desktop.

Response:

- (a) Applying a price index is essential to ensure expenses incurred in different years are brought into present day dollars. This methodology is standard practice when modeling past costs in today's dollars.
- (b) AEY utilized the Handy-Whitman Index to determine the MILs to bring historical dollars into present day dollars. The Desktop Study was conducted without the application of any index as the costs were already in today's dollars. Please also refer to the response to AEY-YEC-YUB-020(a) (Round 2).

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AEY-YEC-UCG-028

**ATCO Electric Yukon (AEY) & Yukon Energy Company (YEC)
2025 Terms & Conditions of Service**

**Information Responses Round 2 to:
Yukon Utilities Consumer's Group (UCG)
Received: April 2, 2025**

AEY-YEC-UCG-028

Reference: AEY/YEC Response to UCG and the Board March 14,2025

Preamble: Please refer to reply to YUB-041 and YUB-042

Request:

- (a) Please give all these answers in a laymans terms so that they are understandable, not utility gobbedy-gook.

Response:

- (a) The Utilities do not agree that the referenced responses were “utility gobbedy-gook”. In an effort to be helpful, the Utilities provide further clarification below. The MIL refers to the maximum amount a utility can invest in an extension project. MILs are available by customer groups which include residential, multi-dwelling, general service and streetlights. For example, if a project is above the MIL, the customer will be expected to pay the difference between the MIL and the actual costs of the development. This maximum level ensures that the company investment is reasonable and aligned with its cost of the service by balancing economic signals to customers and the utility’s obligation to serve.

MILs are set to reflect the standard amount a utility can invest in the extension. It is determined based on taking the median of historical projects to determine an appropriate MIL (referred to as the cost per lot/fixture methodology). As a reference point, AEY has also prepared a Desktop Study which takes a typical connection for each MIL rate and estimates the cost of this typical connection to establish a

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MIL. As outlined in the comprehensive MILs Study, for each MIL rate the cost per lot/fixture and Desktop Study are aligned, which provides comfort that the MIL being proposed by the Utilities is appropriate.

After determining the MIL, AEY-YEC-YUB-042 (Round 1) discusses how the proposed MIL can be implemented based on a single bump (e.g., the MIL at day one after the Board Decision is applied to future extensions) or gradualism (a gradual annual increase over time). The Utilities have recommended a single bump given the administrative ease and to ensure that the proper economic signals are being sent to customers.

Subsequently, after setting the appropriate MILs using the cost per lot/fixture study and referenced Desktop Study, AEY conducted an illustrative comparison using historical projects to show the amount the utility would have been able to invest in using the proposed MIL versus what customers would have had to pay. The results for the Residential Single Family MIL rate showed that 61 percent of the total project costs would be made by the company (as the MIL is the maximum amount the utility can invest), with 39 percent being paid by the customer (the amount above the maximum amount the utility is able to invest based on the proposed MIL).

As requested by the Board, Table 1 from AEY-YEC-YUB-042 (Round 1) shows a comparison between a 20-year net present value of the revenue requirement associated with the proposed MIL rate (again the maximum amount the utility can invest in a new extension) versus the additional revenue collected by adding that one customer, assuming the approved utility rates today. As outlined in the table of the original response, the revenue collected by adding one customer outweighs the revenue requirement of the proposed MIL (revenue collected by adding customer = \$9,873 versus revenue requirement of MIL = \$6,447).

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Given the comprehensive MILs Study and supplemental analysis derived from the proposed MIL, the Utilities submit that the proposed MILs ensure that an appropriate economic signal is being sent to customer, intergenerational equity is maintained, and that the utility is able to earn a fair return on assets owned and maintained.