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**IN THE MATTER OF THE YUKON ENERGY CORPORATION AND  
ATCO ELECTRIC YUKON  
TERMS AND CONDITIONS OF SERVICE APPLICATION**

Before the

**YUKON UTILITIES BOARD**

December 2024 to June 2025

**FINAL ARGUMENT OF JOHN MAISSAN**

## Final Argument introductory comments

In this Final Argument, I address Terms or Conditions of Service proposed in the Application by the joint applicants, Yukon Energy Corporation (YEC) and ATCO Electric Yukon (AEY) (together the Utilities) in their Application. I also address other issues that have come to light during this proceeding in which I have views that differ with the applicants. My silence on other proposed Terms and Conditions of Service on which I do not comment can be interpreted as issues on which I have no strong views. I leave these matters to the Board to address based on all the information on the record. Where responses to IRs are referenced, they will be identified in simplified format in footnotes. For example round 1 IR response AEY-YEC-JM-001 will be referenced as JM-1-1, and round 2 IR response AEY- YEC-JM-001 will be referenced as JM-2-1.

For my convenience I first address matters directly from the proposed Terms and Conditions of Service, page number references are to the “clean” copy of the proposed Terms and Conditions of Service (Application Appendix 1). Then the other matters raised in the Application or that have come to light during the course of this proceeding before the Yukon Utilities Board (the Board or YUB) are addressed.

## Terms and Conditions of Service

### 1. Definitions

- a) **Generating Customer** (page 4) should be redefined to exclude single family residential units that have Micro-Generation (M-G) facilities installed. See related discussion on the matter in item 7. Section 9.2.
- b) **Seasonal Service** this term implies electrical service on a seasonal basis but this is not what it is at all, another term such as *Seasonal Disconnection of Service* should be used.

### **Recommendation:**

**That the Board order the Utilities to update the definitions of Generating Customer and Seasonal Service to be consistent with Board decisions / orders on related matters in this Terms and Conditions of Service Proceeding.**

### 2. Section 4.5 page 10 and Section 8.1 page 23

Section 4.5 reads:

## Change in Service Connections

- (a) A Customer shall give to the Company reasonable prior written notice of any change in service requirements, including any significant change in load, as per section 8.1, to enable the Company to determine whether or not it can supply such revised service without changes to its Facilities.
- (b) The Customer shall not change its requirement for a Service Connection without the Company's written permission. The Customer shall be responsible for all damage caused to the Company's facilities as the result of the Customer changing its requirements for a Service Connection without the Company's permission
- (c) On Isolated Systems, Service for electric space heating (permanent or temporary for construction) and electric vehicle charging purposes may be supplied to Customers only with the prior written permission of the Company.

And Section 8.1 reads:

### 8. SERVICE CHANGES

#### 8.1 Notice by Customer

A Customer shall give to the Company reasonable prior written notice of any change in Service requirements, including any material change in Connected Load, to enable the Company to determine whether or not it can supply such revised Service without changes to its Facilities. The Customer shall not change its Service requirements without the Company's written permission.

In addition to the above, the Introduction to the Application at No. 7 (PDF page 5/115) reads:

#### Changes in Significant Load and Isolated Community

7. The Utilities have updated Section 4.5 to better manage service connections. The section name is now more encompassing, covering a broader range of scenarios, with subsections for significant load increases, like those from Electric Vehicles (EVs).

There are a number of aspects of these clauses that require critical examination.

- a) The author and other parties to this proceeding tried to explore<sup>1</sup> exactly what the Utilities meant by the terms “...*significant load increases*...” (Introduction No.7), “...*any change in service requirements, including any significant change in load*...” (Section 4.5 (a)), and “*The customer shall not change its requirements for a service connection without the Company’s written permission*...” (Section 4.5 (b)), as well as “... *any change in Service requirements, including any material change in Connected Load*...” (Section 8.1). The Utilities have confirmed their obligation to serve<sup>2</sup> but are they requesting here of the YUB that they be relieved of this obligation to serve? Do the Utilities want to dictate to their Customers what they may or may not buy or install or plug into the outlets in their homes? This is the effect of their request.

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<sup>1</sup> JM-1-1; JM-1-9; JM-1-16; YUB-1-7; YUB-1-26; JM-2-4; YUB-2-10

<sup>2</sup> Application page 8/115, paragraph 21, JM-1-2(a) part c.

In their responses to IRs the Utilities have repeatedly refused to provide any specific details for the information of the Parties to this proceeding and thus to their Residential Customers in particular, to guide them. Instead, the Utilities have responded with phrases such as: *“The Utilities are not proposing specific parameters for “reasonable prior notice” or for what constitutes a significant change in load”*<sup>3</sup> and repeatedly *“...this clause is to enable the Utilities and customers to collaborate to assess changes in electricity usage...”*<sup>4</sup>, and also *“... the T&Cs require updating to enable customers and the Utilities to continue to Work together efficiently and effectively.”*<sup>5</sup>

There is nothing that has prevented the Utilities from working with or collaborating with or consulting their Customers in the past or at present, yet the Utilities’ responses imply that they have somehow been prevented from consulting or collaborating. This is a peculiar stance since the Utilities have stated that they have not done formal stakeholder consultations, and discuss at some length all the Customer interactions that they presently have implying that they already have and do all the consultation that they need.<sup>6</sup>

- b) In response to an IR<sup>7</sup> the Utilities have described the load monitoring that is conducted on system transformers, on breakers, on feeders, and on feeder reclosers. It is clear from this information that the Utilities have a considerable amount of information about historical and present loads on all parts of their system throughout the year. In addition to this load monitoring information database the Utilities also have energy usage information down to the individual customer level from their billing system database.

In 1998 and 1999 the AEY (then YECL) Whitehorse use per Residential Customer (UPC) averaged 10,576 kWh per year.<sup>8</sup> The same UPC in 2021 and 2022 averaged 11,639 kWh per year<sup>9</sup> indicating a growth rate of about 10.05% over 13 years or about 0.74% per year. The months of January in 1998 and 1999 averaged 1,314 kWh whereas in 2021 and 2022 averaged 1,629 kWh, a growth of about 24% or about 1.7% per year whereas in August the earlier time period averaged 606 kWh compared to 603 kWh in the more recent time period – essentially no growth at all.

With all this information on hand it appears to be “overkill” to also want every Customer, including Residential Customers, to request written permission for any change in load. The Utilities have shown no analyses from their present extensive

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<sup>3</sup> YUB-2-10

<sup>4</sup> JM-1-16

<sup>5</sup> UCG-1-4

<sup>6</sup> YUB-1-1; YUB-1-36(d)

<sup>7</sup> JM-2-1(c)(d) and (e)

<sup>8</sup> (YECL) AEY 2013-2016 GRA Application PDF page 39/1881

<sup>9</sup> AEY 2023-2024 GRA Application PDF page 68/260

databases on their Customers, or on their distribution system by subdivision, or by feeder, or by substation transformer to substantiate their requests.

As a Residential Customer the requested requirement will put me offside with the T&Cs of service at least once and possible multiple times per year. We have electric heat installed but mostly use wood heat during the winters. However, we are typically out of the Territory or away from home for periods of time during the heating season and our energy consumption can go up from the usual 600 to 800 kWh per billing month to over 1,200 kWh or more, a 50% to 100% increase. Should I need permission from the Utilities to travel and to use the installed electric heat rather than my woodstove when we go away? This would be a ridiculous situation!

- c) Throughout the discussions both in the Utilities' Application and in their responses to IRs, the Utilities cite both electric heat and EVs chargers as drivers of load and thereby system upgrade requirements. A small efficient house will probably require 10,000 to 15,000 kWh per year for space heating and a larger older home would likely require 20,000 kWh or more. This is a very large increase. For Residential Customers (all Customers in fact) who wish to switch from oil or propane heat to electric heat I believe that it is reasonable that the Utilities require advance notice and that the Utilities must ensure that the service is possible, and, if not, notify the customer that they need to upgrade the system first, before they can provide written permission.

The situation with electric vehicles (EVs) and chargers is, in my view, somewhat different. I have two friends that have and use their electric vehicles a lot and track their electricity consumption and distance driven. One is retired and one a working person using their EV for commuting to work (parked outdoors at work). By way of background, they both keep their vehicles in attached garages during the winter. The working commuter friend over a period of about 2 years of ownership has put on about 7,500 km per year and consumed about 2,000 kWh per year of electricity. The retired friend has over 3 years of ownership put on about 10,000 km per year and consumed about 2,250 kWh per year of electricity. This is less than 200 kWh per month on average and only one-fifth to one-tenth the figure for electric heating and, to the Utilities benefit, is much more consistent throughout the year. EV charging cannot be considered the same as converting from fossil fuel heat to electric heat.

A Google internet search for "electric vehicle annual energy consumption Canada"<sup>10</sup> yielded AI generated information that states that 3,000 to 6,000 kWh per year is the range for driving about 20,000 km per year. Natural Resources Canada 2025-FuelConsumptionGuide<sup>11</sup> has figures that align with these numbers. Their numbers suggest that one would have to have an electric pick-up truck (e.g.

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<sup>10</sup> Accessed May 24, 2025

<sup>11</sup> Downloaded May 1, 2025

Ford Lightning or Chevrolet Silverado) to get to the higher end of the range. But this is still, at most, half of an electric heat conversion but spread throughout the year, not focused in winter the way electric heat is. The cost of these large electric vehicles is beyond most families' budgets so lumping EVs with electric heat conversions is comparing "apples to oranges". The Utilities have said that any EV charging, including a level 1 charger that plugs into a regular 115-volt wall outlet, would be considered a significant increase in load.<sup>12</sup> The implication is clear that even adding an electric clothes dryer (about the same load as a level 2 charger) would require Residential Customers to notify the Utilities and get written permission. In my view this is much too invasive – what is happening to the utility obligation to serve? It is evident that the Utilities have not worked with the Yukon government to obtain and analyze actual data on personal EVs, the size and energy requirements of vehicles being sold in Yukon, and the actual electricity consumption changes from Customers that have purchased electric vehicles, etc.

It appears to me that the Utilities are operating out of a state of fear about possible EV charging load increases without making use of actual data that is and can be available if they just collaborate with the Yukon government and their motor vehicles branch, and collaborate with willing Customers. The Utilities do not seem to acknowledge that EVs give them almost steady year-round desirable electrical load. Why are the Utilities not encouraging day-light hour EV charging in summer if low system loads are a problem to them?

- d) There is no information to indicate that the Utilities have worked with the Yukon government's electrical staff at building safety to verify that any electrical permit work that results in an increase in load will go to the Utilities first for approval. So how do the Utilities propose to police or enforce what they are asking for?

As in the case of home conversions to electric heat, some level of notification for other significant increases in Residential Customer electric demand, including the more powerful EV chargers, is reasonable. However, this should be a clearly defined increase such as the addition of an electrical load requiring the installation of a 50-amp or larger breaker, or an electrical panel upgrade. This would enable the Utilities to ensure that the service is possible, and, if not, notify the customer that the Utilities need first to upgrade their system, and once done, the Utilities will provide written permission to the Customer to proceed as requested. The Utilities simply cannot back out of their obligation to serve.

- e) The Utilities' proposals in the proposed Terms and Conditions of Service are unreasonably invasive to Residential Customers and unenforceable. They will not result in cooperation from Customers unless they are reasonable, and unless the Utilities make specific arrangements for enforcement through the electrical permitting process with the Yukon government's Building Safety Electrical

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<sup>12</sup> JM-1-9, JM-2-4

Inspections branch. They cannot be enforced by the Utilities. The requirements must be reasonable and balance Customers' rights and the Utilities' obligation to serve with the Utilities' desire to micromanage their Customers.

**Recommendations:**

**The following recommendations pertain only to Residential Customers on the Yukon Integrated System. I leave it to the Board and others to determine the appropriate courses of action with respect to Residential Customers in diesel served Communities and to other classes of Customers.**

- 1. That the Utilities' obligation to serve be stated clearly in the Terms and Conditions of Service.**
- 2. That Sections 4.5 and 8.1 of the proposed Terms and Conditions of Service be revised to:**
  - a. Permit the Utilities to require advance notification and prior written permission for a conversion to electric heat from oil or propane heat to ensure that the Utilities' delivery system is capable of providing the required electrical power to the home, and that the Utilities are required to respond within 10 business days. Furthermore, if the Utilities determine that their system cannot supply the power requirement they must upgrade their system as soon as reasonably possible and notify the Customer when this has been completed.**
  - b. Permit the Utilities to require notification and prior written permission for any increase in load that requires the addition of a 50-amp or larger breaker or an upgrade to their breaker panel. This is to ensure that the Utilities' delivery system is capable of providing the required electrical power to the home. The Utilities must be required to respond within 10 business days. Furthermore, if the Utilities determine that their system cannot supply this power requirement they must upgrade their system as soon as reasonably possible and notify the Customer when this has been completed.**
  - c. In addition to the above, any change in Customer load that would require the Utilities to upgrade the service drop whether overhead or underground, to the Customer, and/or any of the Utilities' infrastructure, will be considered notification to the Utilities and will obligate the Utilities to respond as described in a. and b. above.**
- 3. The cost responsibilities of the Customer and of the Utilities will be as outlined elsewhere in the Terms and Conditions of Service.**

**3. Section 4.8 (b)**

Some long extensions of service paid for by Customers are very costly and are often paid for by Customers through local improvement charges over a period of 10 years under the Yukon government's Rural Electrification Program. To have freeloaders (new customers

who did not contribute to the original cost) connect to the original extension after 5 years with no cost sharing while the original Customer continues to pay for the remaining years is an insult to the original paying Customer and totally unfair and inappropriate. It was just such a case that caused the wording to be changed to what appears in the 2011 Terms and Conditions of Service. The Utilities proposed wording is unacceptable and needs to revert to the approach of the 2011 Terms and Conditions of service with updated numbers. To say that the cost numbers are out of date is certainly true and the fault for not updating Terms and Conditions of Service sooner lies squarely with the Utilities.

In responses to IRs<sup>13</sup> the Utilities cite needing to balance Customer interests with administrative burden. The issue of administrative seems particularly disingenuous considering that in the Utilities' proposed Sections 4.5 and 8.1, discussed in the preceding section of this Final Argument, the Utilities would be placing an enormous administrative burden on themselves trying to control and police even what customers could plug into a regular household wall outlet (level 1 EV charger)! The Utilities together have only had a total of about 53 such cost sharing projects from 2011 to 2024<sup>14</sup>. It can certainly be concluded that had the values in the 2011 Terms and Conditions of Service been updated earlier the number would be lower and, clearly, administrative burden cannot possibly be material given the other things the Utilities are asking for.

**Recommendation:**

**That the middle paragraph of proposed section 4.8(b) be revised to read as follows: Cost Sharing will be administered only for projects over \$15,000 commencing December 31 of the year of construction of the original extension. Cost share for projects between \$15,000 and \$30,000 will be administered for a period of 5 years with a limit of 3 shares, and projects of \$30,000 or more will be administered for 10 years. These cost thresholds are to be adjusted annually by the Whitehorse CPI in the same manner as is determined by the Board to be applied to Schedule D fees.**

4. Section 4.10

The wording of this Section requires clarification. A Utility response to an IR<sup>15</sup> on this Section states in part (a) that this Section applies to both new customers and existing Customers. The present wording of the Section header and the opening paragraph combined with Section 4.10 part (b) wording imply that existing Customers requesting a conversion of their overhead service to underground will have the Utility pay up to the remaining amount in the MIL for that customer. However, the response to part (c) of the IR references says clearly that an existing Customer would pay the actual cost. I can see a new customer would benefit to the extent of the applicable MIL, however, and existing Customer getting a second Company Investment seems questionable. In response to a round 2 IR<sup>16</sup> the utilities say that Section 4.10 applies to new customers and existing

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<sup>13</sup> YUB-1-4, YUB-1-28, YUB-2-11

<sup>14</sup> JM-1-10

<sup>15</sup> JM-1-11

<sup>16</sup> JM-2-5

Customers whereas Section 4.10 part (a) is for existing Customers and Section 4.10 part (b) is for new customers. The distinction between new customers and existing Customers is not apparent in the wording.

**Recommendation: That the Utilities revise the wording of this section to make it unambiguous to both new customers (new buildings) and existing Customers with existing overhead service what costs, if any, the Utilities will bear in installing a requested underground service.**

#### 5. Section 4.13

The Utilities have said that they want to modernize the Terms and Conditions of Service.<sup>17</sup> This Section discourages the installation of electrically efficient central heating systems for Multiple Dwelling buildings in favour of less electrically efficient baseboard electric heating systems in individual residential units simply because it makes metering simpler. Yukon Energy has stated publicly that its peak load is surging<sup>18</sup>, yet this section as written effectively prevents more electrically efficient Multiple Dwelling buildings from limiting peak load growth. Is this just an opportunistic Utility revenue grab?

I do not have a solution to suggest other than I would like the Utilities Board to order the Utilities to work with owners and managers of Multiple Dwelling buildings to work out a solution that corrects this situation. A solution will benefit all ratepayers in the long run.

**Recommendation:**

**That the Board orders the Utilities to work with Multiple Dwelling building owners and managers to correct this adverse situation, and in the event that a mutually satisfactory solution is not found and communicated to the Board within 1 calendar year of the Board Order, that a revenue meter that measures the electricity input into such heating systems be installed and *all* the metered energy be allocated equally to each dwelling unit and paid for by unit owners / occupiers at Residential rates.**

#### 6. Section 8.3

In a circumstance of a Utility Customer known to me, the Customer purchased an EV and wanted to increase their EV charging capability requiring an upgrade of a Utility pole-mounted transformer shared with at least two other customers. This Customer understood from the Utility that they would need to pay the entire cost of this shared transformer upgrade. This matter and the correct interpretation of this Section was explored in two IRs.<sup>19</sup> The response to the second round IR<sup>20</sup> on page 2 of 2, clearly states that “... *necessary upgrades to the shared transformer would be considered system costs* ...”. The clarity of the response is appreciated. For other Customers who may, at some

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<sup>17</sup> Application cover letter PDF page 1 and elsewhere

<sup>18</sup> [Yukon-Energy-Road-Map-to-2050.pdf](#) PDF page 5 of 27, accessed May 28, 2025, and elsewhere

<sup>19</sup> JM-1-17 and JM-2-10

<sup>20</sup> JM-2-10

point, find themselves in a similar position it would be helpful to add a part (c) to section 8.3 to indicate this.

**Recommendation:**

**That the Board order the Utilities to add a part (c) to this section the wording of which would be something like this: (c) for clarity, upgrades to Company Facilities such as a shared transformer would be considered a system cost and a Company Investment.**

7. Section 9.2

Clarification on the wording of the last sentence in this section which reads: *"The Company may first interrupt industrial customers, and customers with their own generation."* together with the definition of **"Generating Customer"** (see 1. Definitions) were explored in two IRs.<sup>21</sup> The responses make it clear that Residential Customers (and presumably other Customers in different classes) that have a micro-generation system on their home *"may"* be first to be disconnected or interrupted by the Utilities.

Industrial Customers, by definition, are large customers and are required to have their own back-up generation so that they need not be included in the N-1 planning criterion. Certain other larger General Service Customers including extended care homes, the hospital, the Canada Games Centre, and others have back-up generation systems installed to enable them to function even when power service is not available from the Utilities due to outages or other reasons. Except possibly in very rare circumstances, Residential Customers with micro-generation systems do not have energy storage systems and other the electrical equipment necessary to supply any "back-up" power to the home. The inverters that connect these systems to the grid via the home's electrical panel, are required and designed to shut off when there is no grid power. Considering these Residential Customers the same as much larger Customers that can start and operate their back-up generation at will, is inappropriate and discriminatory. Singling out these micro-generation Residential Customers (and other Customers) for priority disconnection is an act of discrimination that must not be allowed.

Part of the Utility requirement for the connection of a micro-generation system is a disconnection and lock-out device, so if it is the micro-generation system itself that is of particular concern to the Utility in some circumstance, it can be locked out by the Utility or at the request of the Utility without disconnecting service to the home.

**Recommendation:**

**That the Board order the Utilities to revise the wording of the concluding sentence as follows: "The company may first interrupt Industrial Customers, and other Customers that have back-up generation to meet their needs."**

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<sup>21</sup> JM-1-18 and JM-2-11

## 8. Schedule B

Understanding the Maximum Company Investment Level (MIL) logic between a Single Family Dwellings and Multiple Dwelling buildings would be straight forward if there were only single detached Single Family Dwellings and Multiple Dwelling buildings that consisted of a larger number of apartments or condominium units. There were a number of IRs that explored this issue.<sup>22</sup> The Yukon and Whitehorse reality is that in a desire to limit or reduce housing cost growth, various parties, including builders, building owners, the City of Whitehorse, as well as First Nations and Yukon governments, have been encouraging the middle ground of duplexes to row housing, basement suites, and garden suites. The reality of this growing 'middle ground' is not reflected in the MILs laid out in Schedule B and is increasing costs for developers and owners while denying the opportunity for the Utilities to invest prudently in power system assets. The principles of this matter are discussed in an IR response.<sup>23</sup>

Based on a response to an IR<sup>24</sup> the following would be the result of Schedule B if approved as proposed:

- A detached Single Family Dwelling built with a basement suite would attract \$5,290 (\$2,645 X 2)
- A detached Single Family Dwelling would attract an MIL of \$10,337
- A detached Single Family Dwelling that later adds a basement suite would attract a further MIL of \$2,645, total MIL \$12,982
- A detached Single Family Dwelling that later adds a garden suite in the back yard would attract a further MIL of \$10,337, total MIL \$20,674

So, depending on how and when a suite is added the MIL might range from \$5,290 to \$20,674. Clearly the logic in MILs fails this 'middle ground' that is intended to reduce housing cost, and it fails to provide the Utilities with prudent investment opportunities. In my view there needs to be a more reasonable and consistent MIL treatment of this 'middle ground'.

### **Recommendation:**

- 1. That the Board order a middle ground residential MIL option such as by adding a third category under Schedule B 1(a) for a Multiple Dwelling with a small number of units attracting a MIL of \$10,337 or \$2,645 per unit, whichever is greater.**
- 2. Consideration could be given as to whether garden suits that are not part of or attached to a Single Family Dwelling, but on the same residential lot, should attract an MIL of \$2,645 or \$10,337. If a separate service drop (overhead or underground) is required the higher MIL would make more sense, but if there is a means of sharing the same service drop with the original / main Single Family Dwelling and still be separately metered, the lower MIL is appropriate.**

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<sup>22</sup> JM-1-3, UCG-1-15, YUB-1-37, JM-2-14, YUB-2-20

<sup>23</sup> JM-1-2

<sup>24</sup> JM-2-14

## 9. Schedule D

The Schedule D fees were explored in various IRs<sup>25</sup>. Two things of note stood out for me, first is that obtaining Customer usage information was not previously charged for<sup>26</sup> and that all previous fee levels are proposed to be increased by an amount higher than inflation<sup>27</sup>. The Customer Usage Information Request came in for particular attention. The Utilities have not previously charged for usage requests and say that historical customer usage information is available through the My Account Customer Portal<sup>28</sup>. In the Utilities' response to YUB-1-11(c) which asked why IT and Engineering resources were required for such requests the Utilities said that this was required to get site specific information such as transformers, conductor size, and clearances. It seems that simple usage requests are to be lumped-in with far more detailed technical information requests. In my view this is unnecessary and inappropriate.

The Utilities have agreed that they work to improve efficiencies and that the ratepayers get the benefit in the longer term.<sup>29</sup> However, the Utilities requests for new fee levels exceed inflation in every case.<sup>30</sup> There appears to be an apparent contradiction between the claim of efficiency gains and the proposed reset of the fees – which, it is proposed, will be adjusted by the Whitehorse CPI going forward. Perhaps this is a desire for increased revenue and no future passing on of efficiency gains.

### Recommendations:

- 1. That there be no Customer charge for simple historical power usage requests for information readily at hand on the Utility computer system.**
- 2. That more complex Customer information requests for technical information such as on transformers, conductor sizes, and clearances that require engineering and/or IT services attract a fee of \$75. To be clear, any Customer notification to the Utilities under Sections 4.5 and 8.1 of these Terms and Conditions of Service as approved by the Board, are NOT to be considered a Customer request for information but a Utility cost that aids in their electrical system planning process.**
- 3. That the new Fees or Services Charges outlined from top to bottom in Table 1 in response to YUB-2-5 (which will thereafter be adjusted annually by the Whitehorse CPI until the next Terms and Conditions of Service review by the Board) are to be set as follows:**
  - a. \$60**
  - b. \$60**

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<sup>25</sup> UCG-1-14, YUB-1-11, YUB-1-24, JM-1-19, YUB-2-5

<sup>26</sup> UCG-1-14(a)

<sup>27</sup> YUB-2-5

<sup>28</sup> YUB-1-16(a)

<sup>29</sup> YUB-1-16(b)

<sup>30</sup> YUB-2-5(a)

- c. \$75
- d. \$75
- e. \$35
- f. \$30
- g. \$125
- h. \$250

10. Utilities' MIL inflation proposal

The Utilities have proposed that the MILs be adjusted annually by the by the CPI for Whitehorse. This adjustment is to take place each year in January based on calculations filed with the Board by the Utilities in the preceding month of December.<sup>31</sup> The CPI data only lags behind real time by about a month but the Handy-Whitman Index (HWI) of electrical equipment costs lags about a year behind.<sup>32</sup> As can be seen from the comparison of the HWI and the CPI<sup>33</sup> the HWI has surged well ahead of CPI since about 2017, and especially in 2022 and 2023. Cumulatively from 2011 to 2023, the HWI is up 107.5% (1,215/585.5) compared to about 31.7% (162.5/118.1) for the Whitehorse CPI.

When it was suggested to the Utilities<sup>34</sup> that a more accurate approach would be to do a two-step calculation one correcting the prior year's CPI adjustment for the now available HWI and the second step adjusting for the current year's Whitehorse CPI, the response was that the Utilities did not consider this to be efficient or necessary. This response is difficult to fathom considering that this is only a one-line per year simple calculation and the significant disparity between the HWI and the Whitehorse CPI over the past decade. The Utilities would be depriving themselves of a prudent investment opportunity as well as increasing the cost of new home construction, should that continue.

**Recommendation:**

**That the Board order the Utilities to do a two-line calculation once per year in December for adjustments to the approved MIL rates, one to adjust the prior year MIL inflation rate for the difference between the CPI and the HWI indices for that year and the second to then adjust the MIL rate for the current year CPI change.**

Respectfully submitted,



John Maissan  
June 12, 2025

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<sup>31</sup> Application (Appendix 3) PDF page 113/115 paragraph 58

<sup>32</sup> JM-2-12

<sup>33</sup> YUB-1-40, page 4 of 4

<sup>34</sup> JM-1-21