

Appendix A to Board Order 2018-07 Reasons for Decision

1. On June 19, 2018, Yukon Electrical Company Limited, carrying on business as ATCO Electric Yukon (AEY), submitted an application to the Yukon Utilities Board (Board) to recover Purchase Power Flow Through Deferral Account (PPFTDA) costs (Application). AEY proposed that a Rider S bill adjustment to all retail and industrial customers be utilized to collect the PPFTDA costs of \$501,000 that arose from YEC's Energy Reconciliation Adjustment (ERA) charges that were approved in Board Order 2018-05. AEY requested that the Rider S bill adjustment commence August 1, 2018, and continue to July 31, 2019, at a rate of \$0.0011 per kW.h.
2. By way of Board Order 2017-01, resulting from AEY's 2016-17 General Rate Application (GRA), the Board approved the PPFTDA. The reasons for the approval of the PPFTDA are set out in Appendix A: Reasons for Decision to Board Order 2017-01, as follows:
 53. The Board notes AEY's responses to IRs on the PPFTDA. More specifically, the Board takes note of the response to YUB-YECL-47(b), in which AEY stated:
... under a PPFTDA, AEY would assume risk associated with sales volumes, however AEY would not assume risk associated with changes to the Wholesale purchase rate... AEY submits that a PPFTDA is much more efficient than speculating on potential changes in its Wholesale costs resulting from changes to the Wholesale rate.
 54. Further, AEY stated that this account will ensure that there is an additional margin if sales are greater than forecast. Parties were asked to comment on that additional margin in argument, but no comments were received.
 55. The Board accepts the submissions of AEY that the PPFTDA will provide additional margin on sales that are incremental to forecast levels and that the use of a PPFTDA is more efficient. The Board considers the PPFTDA to be a more efficient mechanism for adjusting potential changes in wholesale costs, especially since there are material timing differences between YEC and AEY GRA filings. Therefore, the Board approves the requested AEY PPFTDA, without changes. (footnotes omitted)
3. Given that the PPFTDA was approved, and that it is a deferral account subject to being trued-up, the collection of PPFDTA costs is an adjustment of rates; therefore, the Board does not accept the UCG submission that an effective date of August 1, 2018, to begin to collect Rider S contravenes section 28(1) of the *Public Utilities Act*.
4. Given the requested energy charge of \$.0011 per kW.h and its minor impact of less than 1% on customers' bills, the Board finds that UCG has not provided any reasons in support of its contention that the period of one year to collect the amount of \$501,000 is too short.

5. The Board accepts the AEY submission that a kW.h energy charge is appropriate because the costs to be recovered are determined on the basis of wholesale energy purchases and total grid load. For this reason, the Board considers that a review of cost allocation, rate design and revenue-to-cost ratio is not required in the context of the Application.
6. Given the above findings, and that no other comments to test the Application were received, the Board finds that no further process is required to test the Application and the Board approves Rider S as filed. However, the Board directs AEY to submit a report to the Board by August 31, 2019, detailing the collection of the approved Rider S and showing any residual balance in its PPFTDA as a result of this collection.