

Yukon Utilities Board

Board Order 2024-15

Appendix A: Reasons for Decision

November 18, 2024

1 INTRODUCTION

1. On September 18, 2024, Yukon Energy Corporation (YEC) filed correspondence with the Yukon Utilities Board (Board) titled “2023 Low Water Reserve Fund Report and Energy Reconciliation Adjustment Filing”. The submission was filed pursuant to YEC’s LWRF Term Sheet as approved in Board Order 2024-13.
2. On October 16, 2024, the Board issued Board Order 2024-14 which considered the YEC submission as an application to be decided by way of a written proceeding, pending Ministerial approval. Board Order 2024-14 provided process steps for interested parties to provide comments on the application and YEC to provide reply comments. For regulatory efficiency, the Board did not require registration from interested parties. Board Order 2024-14 also approved interim approval of YEC refund rider, Rider E, a refund of 0.128 cents/kWh effective November 1, 2024. The latter was in response to an email request the Board received from YEC on October 11, 2024.
3. No comments were received from interested parties by the process step deadline of October 25, 2024. No reply comments were submitted by YEC by the November 1, 2024 process deadline.
4. In making its decision, the Board has considered all relevant materials comprising the record of this proceeding. Accordingly, references to specific parts of the record in this *Appendix A: Reasons for Decision* are intended to assist the reader in understanding the Board’s reasoning related to a particular matter and should not be taken as an indication that the Board did not consider all relevant portions of the record.
5. The Board considers the record of this proceeding closed as of November 1, 2024, the date YEC could have replied.

2 OVERVIEW OF THE APPLICATION

6. In its application, YEC sought approval of two proposals:
 - approval of the Low Water Reserve Fund (LWRF) transfers as well as LWRF balances as provided in Attachment 1 of the filing. The transfer amount calculated by YEC to go into the LWRF for 2023 is \$5.791 million. The interest calculated on the balance of the LWRF for 2023 is \$0.629 million. These two transactions (the 2023 LWRF transfer and the interest) provide a closing balance in the LWRF as at December 31, 2023 of \$16.314 million (in favour of customers). As the balance in the LWRF at the end of 2023 exceeds the +/- \$16 million threshold, YEC has requested that the \$0.314 million amount in excess of the threshold, be returned to customers via a

Rider E rebate of 0.128 cents/kWh effective November 1, 2024 with the rebate Rider E being reset to 0 cents/kWh on April 1, 2025.

- YEC noted that actual wholesale sales to AEY were less than forecast wholesale sales. The result of this situation is that no ERA payments are required for 2023.

2.1 LWRP Calculations and Balance updates for 2023

7. YEC provided Attachment 1: LWRP Calculations and Balance Updates for 2023 containing Table 1-1 LWRP Calculations and Table 1-2 LWRP Continuity Schedule. The schedules were also provided in Excel format. Table 1-1 calculated an incremental YEC Thermal Generation Cost refund which shows that LTA thermal generation exceeds actual thermal generation for the 2023 actual load. Thus, YEC transferred a refund to the LWRP of \$5.791 million for the year 2023. Table 1-2 provides the balance in the LWRP as at December 31, 2023 after all LWRP transactions have been recorded including earned interest (the earned interest was \$629,000) on the LWRP (\$16,314,000).

2.2 2022 ERA Filing

8. YEC provided Attachment 2: 2023 ERA Filing containing Table 2-1 ERA Determination for 2023. Table 2-1 calculated an ERA charge to AEY of \$0.

3 VIEWS OF THE PARTIES

9. As noted earlier, no party commented on the YEC 2023 LWRP application.

4 YEC REPLY

10. As no comments were received from interested parties, reply comments were not required from YEC nor did YEC provide any additional comments.

5 VIEWS OF THE BOARD

5.1 Scope

11. In considering the scope of this application, the Board notes that the relief requested is for approval of the 2023 LWRP transfers (including interest), the 2023 LWRP balance at the end of 2023, the Rider E rebate of 0.128 cents/kWh effective for the period November 1, 2024 to March 31, 2025, and the 2023 ERA charge from YEC to AEY of \$0.00.

5.2 LWRF

12. The Board has reviewed the application. The Board has verified the calculations contained in Tables 1-1 and 1-2 of the application and finds that the 2023 LWRF calculations are consistent with the term sheet approved in Board Order 2024-13.¹

13. Accordingly, the Board approves the 2023 LWRF report as filed.

14. However, the Board finds that it would be easier for the Board and interested parties if YEC would provide specific source references for input values (not calculated) contained in Tables 1-1, 1-2, and 2-1, specifically, for Table 1-1, the specific sources for the following lines: L2, L3, L7(diesel), L7(LNG), L7a2, L8, L10, and L14. For Table 1-2, detailed calculations of the interest calculations would be useful or of assistance in future filings (for example cell E40). For Table 2-1, specific source references would also be useful, or of assistance in future filings, for lines A1, A2, B1, C1, and C2. YEC is directed to provide these specific references in its future annual LWRF reports.

5.3 ERA

15. No party has opposed the ERA calculations as submitted by YEC. The Board has reviewed the application. The Board has verified the calculations contained in Table 2-1 of the application. The Board finds ERA calculation appropriate and approves the 2023 ERA charge of \$0.00 from YEC to AEY as requested.

¹ Board Order 2024-13, YEC 2023-2024 GRA Compliance Filing PDF page 9. The LWRF term sheet is found in YEC's 2023-2024 GRA Compliance Filing, Appendix 2.2 starting at PDF page 52.