Nathaniel Yee
PO Box 89
Faro, YT Y0B1K0

8-March, 2023

Rate Rebasing
Board Order 2022-07

WRITTEN SUBMISSION OF NATHANIEL YEE

From board order 2022-07:

“The Board is concerned that customers may find the application of YEC’s and AEY’s riders to be confusing.”

Issues with options proposed by the Utilities:

1. It is unclear how any of the proposed solutions would improve this situation, as most of the riders (and in my opinion the most confusing of the riders) still remain on the bill.

2. The options presented by the Utilities would perhaps be considered effective had the board stated a concern “that customers may find Riders J and R to be confusing.”

3. By addressing only Rider R and Rider J, the Utilities are implying that the other riders are not causing confusion, and this is clearly not the case.

4. YEC billing under the current system, for 1447 kWh. This is taken from an actual bill.

CURRENT CHARGES	
CUSTOMER CHARGE	14.65
ENERGY CHARGE	178.71
AEY TEMPORARY RATE ADJUSTMENT	8.84CR
FUEL ADJUSTMENT RIDER	23.26
YEC TEMPORARY RATE TRUE UP	3.58
YECL RATE ADJUSTMENT RIDER	16.05
YUKON ENERGY REVENUE SHORTFALL RIDER	65.90
YUKON INTERIM ELECTRICAL REBATE	22.62CR
SUB-TOTAL	270.69
GST (#R123007494)	13.54
CURRENT BILLING	284.23

5. YEC billing under the proposed change Option 4:

CURRENT CHARGES	
CUSTOMER CHARGE	20.86
ENERGY CHARGE	254.38
AEY TEMPORARY RATE ADJUSTMENT	8.84CR
FUEL ADJUSTMENT RIDER	23.26
YEC TEMPORARY RATE TRUE UP	3.58
~~YECL RATE ADJUSTMENT RIDER~~	~~16.05~~
~~YUKON ENERGY REVENUE SHORTFALL RIDER~~	~~65.90~~
YUKON INTERIM ELECTRICAL REBATE	22.62CR
SUB-TOTAL	270.62
GST (#R123007494)	13.53
CURRENT BILLING	284.15

6. Problem solved? Confusion eliminated? Actually, given that riders already tend to appear and disappear over time, there is a chance that the proposed changes might not even be noticed by many customers. Obscure items added to or removed from the list of riders. Business as usual. Customers would still be confused by the riders.

7. The proposed options all provide the same negligible benefit to the customer. From a customer perspective, Options 1 thru 4 all pretty much maintain the status quo.

8. On a side note, using the calculations presented in Option 4, I did get a slight variation in the customer's total bill, the subtotal changing from 270.69 to 270.62. Perhaps this is my error somewhere, but it would be worth confirming since the Utilities assured the Board that "The customer's total bill will remain the same regardless of option selected." AY-YEC-YUB-02(a)

9. **Another idea:**

10. While month to month consistency in the cost per kWh is preferred, this does not exist in Yukon. As an alternative The Utilities could include something like "Effective cost per kWh" with each billing statement.

11. Providing customers with this information is an important part of any sort of DSM program. Asking consumers to undertake conservation measures while obscuring the results of those measures behind an unstated variation in rates doesn't make any sense.

12. TOU for example, would be impossible without providing cost per kWh rates. Customers would be charged peak and off-peak rates, but not be told the rates?

13. This total is an easy calculation that affects only one line displayed by the billing system and should not be difficult to implement. Far easier than anything proposed by the Utilities.

14. Customers are accustomed to being told the price of what they are purchasing, and perhaps varying or attempting to vary how much they purchase in the future accordingly.

15. The Utilities response to this idea was that "...it does not serve the interest of general energy literacy to promote the idea that all utility costs vary linearly with kWh. The total bill is a better summary of all utility costs." AY-YEC-NY-01(a-b)

16. This is not correct, given what is being proposed. As the Effective cost per kWh will vary month to month depending on usage and changes to the riders, it will be quite clear that utility costs do not vary exactly linearly with with kWh. It will also be clear that utility costs do vary, even when usage does not. Effective cost per kWh is an understandable and reasonable summary of the relationship between the total bill and energy usage.

17. "General energy literacy" is enhanced by customers being aware that electricity rates do vary and that that the riders provide this variation.

18. "Base rates" claiming 12.14 or 17.28 cents/kWh are deceptive in implying that utility costs vary linearly with kWh, and this does not serve the interest of general energy literacy.

19. Providing a total Effective cost per kWh does not preclude listing the riders on the bill, as the riders do provide some explanation as to why and how the total rate has varied.

20. If the Utilities are interested in promoting “general energy literacy” and reducing confusion, the text of the riders could be enhanced with just a few simple text changes. Enhanced descriptions would look like this:

“FUEL ADJUSTMENT RIDER” becomes “FUEL ADJUSTMENT RIDER (1.635 cents/kWh)”
and
“YEC TEMPORARY RATE TRUE UP” becomes “YEC TEMPORARY RATE TRUE UP 1.85% of Base Bill”
etc.

21. While this of course does not explain how and why Rider F varies, it does go quite a long way to showing how the riders change and affect rates and total cost. As a customer, I would appreciate having this additional information.

22. Imagine if fuel prices were expressed the way the Utilities express their prices now. Ask the price per litre and get the following answer: Price per litre that you just paid? Well… There’s this base price, then add on some variable and fixed costs. Some of this depends on historical fuel costs, the weather and water reserves and… Oh and some temporary things… What? You want to know the price per litre? Oh, well get a calculator and figure it out yourself!

23. Or as the Utilities say, “The Utilities believe that customers can easily calculate cost per kWh using the consumption and total bill shown in the statement.” AY-YEC-NY-01(a-b)

24. However it would be less confusing for the customer if the Utilities provided this number. Isn’t less confusion the idea?

Further implementation ideas:

25. While providing Effective cost per kWh and enhancing rider descriptions are a essential parts of reducing confusion, more can be done.

26. On the customer bill, ALL of the riders could be rolled into Customer Charge and Energy Charge (per kWh). In the end, the customer is charged some (maybe) fixed amount for network access, and another amount based on energy usage. Customer Charge and Energy Charge (per kWh) could both vary monthly, depending on current and future riders.

27. This would be an open and honest starting view of the result of the rate system that exists here.

28. Of course the base rate and riders and such could still be listed on the billing statement as an explanation of how the Customer Charges and Energy charges are determined and what has caused them to vary. Having this information readily available provides answers for those confused by the variances or those who simply want to understand things on a deeper level.

29. This would bring Yukon into line with utilities in some other parts of Canada. I am most familiar with Quebec, where a billing statement has only Customer Charge and Energy Charge (per kWh).

30. Having billing statements and methodologies that are similar to or simpler than those used elsewhere in Canada will also serve to lessen confusion.

31. I am aware that Alberta, like Yukon probably uses multiple riders - and would guess that the average customer there also finds the riders confusing.

Conclusions and Recommendations:

32. No matter how the billing system presents it, customers are paying for kilowatt hours and costs to deliver the power. That's the transaction, that's the business. Energy rate recovery and fixed rate recovery.

33. It should be clear to the customer how much they are being charged for each kilowatt hour purchased, and how much goes to fixed rate recovery. Hiding this in the riders is confusing from a customer persepective.

34. The question "How much does electricity cost in Yukon?" should not be difficult to answer for someone looking at a billing statement.

35. All options presented by the utilities provide the same negligible benefit, with varying degrees of cost and complication.

36. There is no reason to implement any of the options suggested by the Utilities.

37. A total or effective cost per kWh must be a part of any changes made in the name of simplification or lessening confusion.

38. Cost per kWh is also essential for DSM and TOU.

39. Rider descriptions on the billing statements should be enhanced.

Comment on the options presented by the Utilities:

40. While the Utilities purport to provide four possible options, it appears that they created one (Option 4) that makes slight motions to addressing the issue, and then added unnecessary complications to create Options 2 and 3.
41. Presenting "options" that are not viable or hold no value is a waste of time for intervenors and the Board.
42. In response to AEY-YEC-YUB-03 (c) asking for approximate costs for part of implementation of Option 2, the Utilities point out that this option "does not provide an obvious value and the YUB's direction can be addressed with the proposed solution."
43. If the Utilities cannot see any value in Option 2, why do they present it as an option?
44. In response to AEY-YEC-YUB-04 (a&c) asking about Option 3, the Utilities answer that "Therefore, the Utilities do not see any benefit from this option."
45. If the Utilities do not see any value or benefit in these options and are unwilling to consider them, why are they suggesting that intervenors and the Board waste time on them?

46. Showing that Option 4 is better than Options 2 and 3 does nothing to show that Option 4 is useful or worthwhile. I do agree however, that of the options provided, Option 4 is the most sensible way to fail to solve the problem.

Further issue:

47. In the course of looking at billing and rates I noticed that varying energy rates combined with estimated meter readings can lead to unintended effects on customer charges. As an example, if the customer has used more power than is in on estimated bill, the eventual charges for this energy will reflect the rate in effect at the time the meter is read rather than when the energy was actually used. I realize that this is a minor issue and likely outside the scope of this proceeding, but it is a problem that occurs with the combination of varying rates and estimated meter readings.

Respectfully submitted,

Nathaniel Yee
March 8, 2023