

**YUKON UTILITIES BOARD
2021-22 ANNUAL REPORT**

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THE BOARD

The Yukon Utilities Board was established pursuant to the *Public Utilities Act*, Revised Statutes, 1986. c. 143, as amended. Section 2 of the Act defines the Board as comprised of not less than three and not more than five members. Section 4 provides for the appointment of a substitute member to act in the absence of a member of the Board. The Chair, Vice-Chair and members are appointed by the Minister of Justice for terms of three years. Members can also be appointed to serve subsequent terms, at the discretion of the Minister of Justice.

The Board office is located at Unit 19, 1114 Front Street (second floor of the Horwood's Mall) in Whitehorse, Yukon. Our mailing address is:

Yukon Utilities Board
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Whitehorse, Yukon Y1A 6L3

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The Board retains independent legal advisors and qualified technical consultants, and it contracts with a part-time Executive Secretary.

The Board regulates two electrical utilities in Yukon, the Yukon Energy Corporation (YEC) owned by the Government of Yukon, and the privately owned ATCO Electric Yukon. The Board carries out such other functions as are required by the *Public Utilities Act* and as directed by the Minister of Justice as ordered through the territorial government's Orders-in-Council.

Under Section 52 of the *Public Utilities Act*, and following the principles of natural justice, the Board may, with respect to an inquiry:

- exercise the exclusive jurisdiction and authority to determine any question of fact, law or mixed fact or law required to be decided;
- receive such evidence or other information as it considers appropriate, whether or not such evidence is given under oath or affirmation, and whether or not it would be admissible in a court of law;
- exercise the powers, privileges, and immunities of a Board of Inquiry under the *Public Utilities Act*;
- determine the persons to whom notice of any proceedings shall be given; and
- determine its own procedures.

Board Orders are reviewable by the Yukon Court of Appeal.

The Board's authority includes carrying out investigations and reviews at the request of the Minister of Justice pursuant to the *Public Utilities Act*, namely Regulation of Public Utilities (Part II) and the regulation of Energy Projects (Part III). The Board is also empowered to investigate complaints and initiate investigations it deems necessary in the interest of ratepayers generally (Part IV).

Funding for proceedings can only be authorized by the Minister of Justice.

MEMBERSHIP

Board membership during the reporting period consisted of:

Chair	Richard Buchan
Vice-Chair	Bonnie King
Member	André Fortin
Member	Anne Middler
Member	Lesley McCullough

BOARD SUPPORT

Board Support during this reporting period was provided by:

Executive Secretary: Deana Lemke, Beyond Words Business Services Inc.

Regulatory Legal and Technical Support: Alberta Utilities Commission

THE YEAR IN REVIEW

BOARD MEETINGS

Various Board meetings are held each fiscal year – either in person or virtually. The frequency of meetings is dependent on the workload of the Board during any given year. The Chair or Vice-Chair and two other members constitute a quorum of the Board for decision-making purposes.

CANADIAN ASSOCIATION OF MEMBERS OF PUBLIC UTILITIES TRIBUNALS (CAMPUT)

The Board continues to be an active member of the Canadian Association of Members of Public Utility Tribunals (CAMPUT). The Board relies on CAMPUT and the Alberta Utilities Commission to be the primary provider of Board member training.

A spring CAMPUT conference themed “Transition and Transaction” was scheduled online for May 4-5, 2021. The content centered on Canadian energy policies which strive to harmonize the economy with a sustainable environment and the conference discussed the evolution of the energy sector towards carbon neutrality and the future of energy transactions. Due to the public hearing of the YEC Battery Energy Storage System Project proceeding from May 4 to 6, 2021, it was not possible for Board members to participate in the spring conference.

The fall 2021 CAMPUT conference was moved to an online offering due to the COVID-19 pandemic. Chair Richard Buchan participated in the conference October 18-19, 2021. The conference, themed “Emerging and Advancing Together”, focused on how key economic, social, and political forces are shaping energy sector relationships regionally, federally, and internationally.

PROCEEDINGS

The Board was involved in the following proceedings during this fiscal year:

Yukon Energy Corporation 2021 General Rate Application (GRA)

This proceeding was carried over from the previous fiscal year.

YEC submitted a GRA seeking approval of forecast revenue requirements of \$75.135 million, representing an increase of \$10.971 million for 2021 over revenues from existing rates and riders of \$64.164 million (a 17.1% increase), with a total increase of \$25.342 million for 2021 over the 2018 approved revenue requirement. In its GRA, YEC additionally sought approval of an interim refundable rate rider (Rider J) for 2021 of 10.08% for retail and industrial firm rates, effective July 1, 2021. YEC proposed implementation of the interim rate increase to be timed concurrent with the planned reduction of Rider F1 as at July 1, 2021. YEC stated that the timing for the interim rate increase would yield no material change in customer bills and would recover approximately two-thirds of the proposed rate revenue increase.

On March 23, 2021, YEC filed a limited scope application with the Board for a Rate Schedule 39 Fixed Charge Adjustment for service to Victoria Gold Corp. Mine Site and Alexco Mine and Mill Sites. YEC asked for approval of an interim fixed charge for electricity purchases on or after April 1, 2021 that adjusts Rate Schedule 39 Industrial Primary Fixed Charge applicable to the VGC Group mine and the Alexco Resource Corp mine and mill.

On March 23, 2021 YEC filed a limited scope application with the Board regarding amendments to Rate Schedule 39. The proposed amendments included changes to the fixed charges to Alexco mine and mill and Victoria Gold Corporation (VGC). YEC also proposed to amend the wording of Rate Schedule 39 to enable it to adjust the interim fixed charges between Alexco and VGC.

Board Order 2021-07, dated April 16, 2021, outlined a process for intervenor submissions and YEC's reply related to the Rate Schedule 39 interim fixed charge adjustment request. The Board ordered the YEC GRA proceeding to be held in abeyance until the conclusion of the YEC Battery Energy Storage System (BESS) Project proceeding.

YEC also filed an updated 2021 Low Water Reserve Fund (LWRF) Term Sheet and LWRF annual reports for 2019 and 2020 on April 8, 2021.

The Board advised in Board Order 2021-07 that final determinations regarding Rate Schedule 39 and the 2021 LWRF Term Sheet and LWRF annual reports would be considered as part of YEC's 2021 GRA proceeding.

In Board Order 2021-08, issued April 28, 2021, the Board approved the interim refundable rate rider requested. The Board considers that the purpose of interim rates is two-fold. First, interim rates provide a smooth rate transition for customers to new rates in order to minimize rate shock. Second, they provide additional cash flow to the utility to cover increased costs while its rate case is being tested. The Board assesses an interim rate request with this purpose in mind. In deciding on an interim rate request, the Board considers some or all of the following factors:

- the quantum of the interim rate increase and need for the increase, including the impact of the proposed interim rates and any shortfall in revenue to the utility;
- whether the proposed interim rates promote rate stability and erase rate shock, and whether interim rates help maintain intergenerational equity the need to accommodate regulatory lag to preserve a utility's opportunity to recover the revenues ultimately determined by the Board to be just and reasonable for the year to which the interim rates apply; and
- the merits of the applied-for revenue requirements have not been tested.

On July 5, 2021, the Board resumed the GRA proceeding and requested comments from Parties regarding scheduling of the further process for this proceeding. On August 5, 2021, the Board issued Board Order 2021-10 deciding on motions brought by interveners regarding IR Responses provided by YEC. And on August 31, 2021, the Board then issued Board Order 2021-11 which established a schedule for the remainder of the proceeding.

The Board issued Board Order 2021-14 in response to YEC's request for an additional interim refundable Rider J increase submitted September 24, 2021.

The oral public hearing was held on September 27 to 29, 2021. While the Board and staff attended in person, the Applicant and intervenors participated via videoconference.

The Board approved YEC's request for a Rider J increase through Board Order 2021-14 issued on November 5, 2021.

The Board's decision regarding the YEC 2021 GRA was issued on March 16, 2022, through Board Order 2022-03 which was accompanied by an 80-page appendix outlining the Board's specific findings.

As this proceeding was not concluded by March 31, 2022, it was carried over into the following fiscal year.

YEC Battery Energy Storage System (BESS) Project

This proceeding was carried over from the previous fiscal year. A proceeding schedule for the BESS Project proceeding was issued April 16, 2021 through

Board Order 2021-06 and the oral public hearing was scheduled for May 4-6, 2021.

The Board issued its report and recommendations on the BESS Project to the Minister of Justice on June 30, 2021.

In Board Order 2021-13, the Board made determinations regarding cost awards related to this proceeding.

YEC-Tlingit Homeland Energy Limited Partnership (THELP) Energy Purchase Agreement (EPA)

The Minister of Justice issued a letter to the Board on May 18, 2021 referring the EPA between YEC and THELP for the Board's review. The EPA would outline THELP's sale to YEC of electricity generated from the proposed Atlin Hydro Expansion Project. Terms of reference from the Minister outlined the Board's direction for review of the EPA and directed the Board to report back to the Minister within 180 days of the finalization date of the EPA. YEC subsequently submitted the YEC-THELP EPA to the Board on January 20, 2022. Board Order 2022-01, dated February 1, 2022, outlined the process schedule for the proceeding, with the public hearing being scheduled on April 20-22, 2022.

The Board granted intervener status to ATCO Electric Yukon, the City of Whitehorse, the Utilities Consumers' Group, John Maissan, and Nathaniel Yee through Board Order 2022-02 issued on February 17, 2022.

As this proceeding was not concluded by March 31, 2023, it was carried over into the following fiscal year.

For more information on the above-noted proceedings, please refer to the original submissions and Board Orders located on the Board's website:
<http://yukonutilitiesboard.yk.ca/proceedings/>

BOARD ORDERS

Below is a summary of Board Orders approved by the Board during this reporting period. All Board Orders can be viewed on the Board's website at

<http://yukonutilitiesboard.yk.ca/policy/board-orders/>

Order No.	Date	Order
2021-06	April 16, 2021	YEC Battery Energy Storage System (BESS) Project proceeding schedule
2021-07	April 16, 2021	YEC 2021 GRA, Low-Water Reserve Fund, and Rate Schedule 39 process schedule
2021-08	April 28, 2021	YEC 2021 GRA interim rates
2021-09	April 30, 2021	YEC Rate Schedule 39 interim rate request
2021-10	August 5, 2021	YEC 2021 GRA proceeding – Motions on IR responses
2021-11	August 31, 2021	YEC 2021 GRA proceeding schedule
2021-12	September 20, 2021	YEC 2021 GRA – Yee Motion re YEC IR responses
2021-13	September 26, 2021	YEC BESS Project proceeding cost awards
2021-14	November 5, 2021	YEC interim rate request
2022-01	February 1, 2022	YEC Tlingit Homeland Energy Ltd. Partnership (THELP) EPA proceeding
2022-02	February 17, 2022	YEC THELP proceeding interveners
2022-03	March 16, 2022	YEC 2021 GRA proceeding decision