

December 9, 2019

Mr. Robert Laking, Chair
Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Sir:

RE: Rate Change – Rider F, Fuel Adjustment Rider

On August 1, 2017, ATCO Electric Yukon and Yukon Energy Corporation (the “Companies”) adjusted the Diesel Fuel Price Variance Rider (“Rider F”) from a refund of 0.560 cents per kWh to a refund of 0.011 cents per kWh.

Pursuant to the Rider F Policy, if the Companies’ Diesel Fuel Price Variance Account (“DFPVA”) is fluctuating over a broad range, the Companies must refine the forecast to reflect changing economic conditions to arrive at a new Rider F rate.

Since the last Rider F application, fuel price variances have increased and are expected to continue to increase. In addition, adjustments to Rider F were postponed until the completion of Yukon Energy Corporation’s ongoing General Rate Application. Due to the foregoing, the deferral balance exceeds the \$200,000 threshold. Considering the total expected balance at the end of November 2020, an 18-month recovery period has been applied.

Accordingly, the Companies have determined that Rider F rate is required to change from a refund of 0.011 cents per kWh to a charge of 0.970 cents per kWh, effective January 1, 2020.

The Companies have enclosed an Excel spreadsheet to provide further detail regarding this rate change. We trust that if the Board or any interested party has questions regarding this Rider F rate change, they will contact one of the undersigned.

Sincerely,

ATCO ELECTRIC YUKON



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YUKON ENERGY CORPORATION



Ed Mollard
Chief Financial Officer
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**ATCO Electric Yukon
Yukon Energy Corporation
Rider F Calculation**

(Implementation Date in CIS = January 1, 2020)

ATCO Electric Yukon

	Fuel Price in Rates	Forecast Fuel Price	Forecast Litres	Monthly Variance	Balance
Due From (To) Customers - as at October 31, 2019					2,398,914
Nov-19	<i>Estimated Net DFPV & Collections</i>				121,319
Dec-19	<i>Estimated Net DFPV & Collections</i>				135,844
Jan-20	92.52	115.08	595,560	134,365	
Feb-20	92.70	115.36	539,977	122,389	
Mar-20	92.82	115.66	516,532	117,981	
Apr-20	92.90	115.55	463,871	105,047	
May-20	93.12	116.12	389,378	89,553	
Jun-20	92.85	115.34	369,040	83,015	
Jul-20	92.58	115.43	368,557	84,224	
Aug-20	92.84	115.69	377,441	86,226	
Sep-20	93.11	115.64	391,910	88,303	
Oct-20	93.26	116.26	440,909	101,420	
Nov-20	92.43	115.67	517,890	120,347	
Subtotal Jan-Nov			4,971,064	1,132,870	<u>1,132,870</u>
AEY Shortfall (Over-collection)					<u>3,788,947</u>

Yukon Energy Corporation

	Fuel Price in Rates	Forecast Fuel Price	Forecast Litres	Monthly Variance	Secondary Sales Variance	Balance
Due From (To) Customers - as at October 31, 2019						507,025
Nov-19	<i>Estimated Net DFPV & Collections</i>					122,058
Dec-19	<i>Estimated Net DFPV & Collections</i>					224,630
Jan-20	38.50	50.04	3,673,471	423,840	-	
Feb-20	37.86	49.40	3,332,860	384,867	-	
Mar-20	37.88	49.42	3,689,433	426,031	-	
Apr-20	37.91	49.46	2,461,763	284,255	-	
May-20	68.41	79.50	16,887	1,872	-	
Jun-20	38.45	49.99	692,354	79,888	-	
Jul-20	66.71	77.82	63,305	7,034	-	
Aug-20	83.19	94.05	40,363	4,384	-	
Sep-20	41.17	52.66	149,658	17,207	-	
Oct-20	39.21	50.74	342,782	39,513	-	
Nov-20	38.53	50.07	3,040,625	350,808	-	
Subtotal Jan-Nov			17,503,502	2,019,698	-	<u>2,019,698</u>
YEC Shortfall (Over-collection)						<u>2,873,412</u>
Combined YEC/AEY Shortfall (Over-collection)						<u>6,662,358</u>

Forecast Retail Sales (kWh) | Jan 1, 2020 - Jun 30, 2021

AEY	525,367,898
YEC - Retail	74,634,952
YEC - Industrial	86,954,921
Total	686,957,771

Rider F Rate (¢/kWh)	<i>to recover/(refund) forecast shortfall by</i>	<i>Jun 30, 2021</i>	<u>0.970</u>
		Previous Rider F (¢/kWh) (as at August 1, 2017)	(0.011)
		Rate increase (decrease)	0.981