



2023/24 General Rate Application Information Session

October 11, 2023

Acknowledgement

Yukon Energy recognizes that we
live and work on the Traditional
Territories of Yukon First Nations

Purpose

- Share information about Yukon Energy's 2023/24 General Rate Application
- Respond to clarification questions only – there is a process for detailed questions set up through the Yukon Utilities Board

Regulations

- Franchised utilities are regulated by the Yukon Utilities Board under the authority of the *Public Utilities Act*
 - All proposed rate changes must be approved by the Yukon Utilities Board before being applied to bills
 - Prudency test
 - Yukon-wide “Postage Stamp” rates

Agenda

1. Overview
2. Yukon's electricity landscape
3. Key drivers for the rate increase
4. Summary of our application
5. Regulatory process

Overview

Proposed bill changes



3% increase

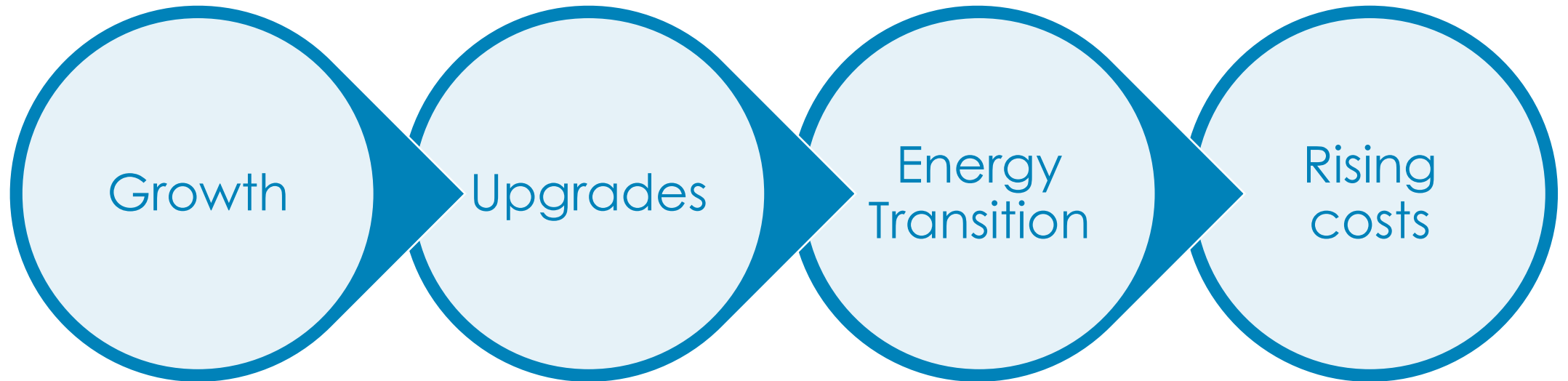
to average
electricity bills in
October 2023



3% increase

to average
electricity bills in
August 2024

Key drivers



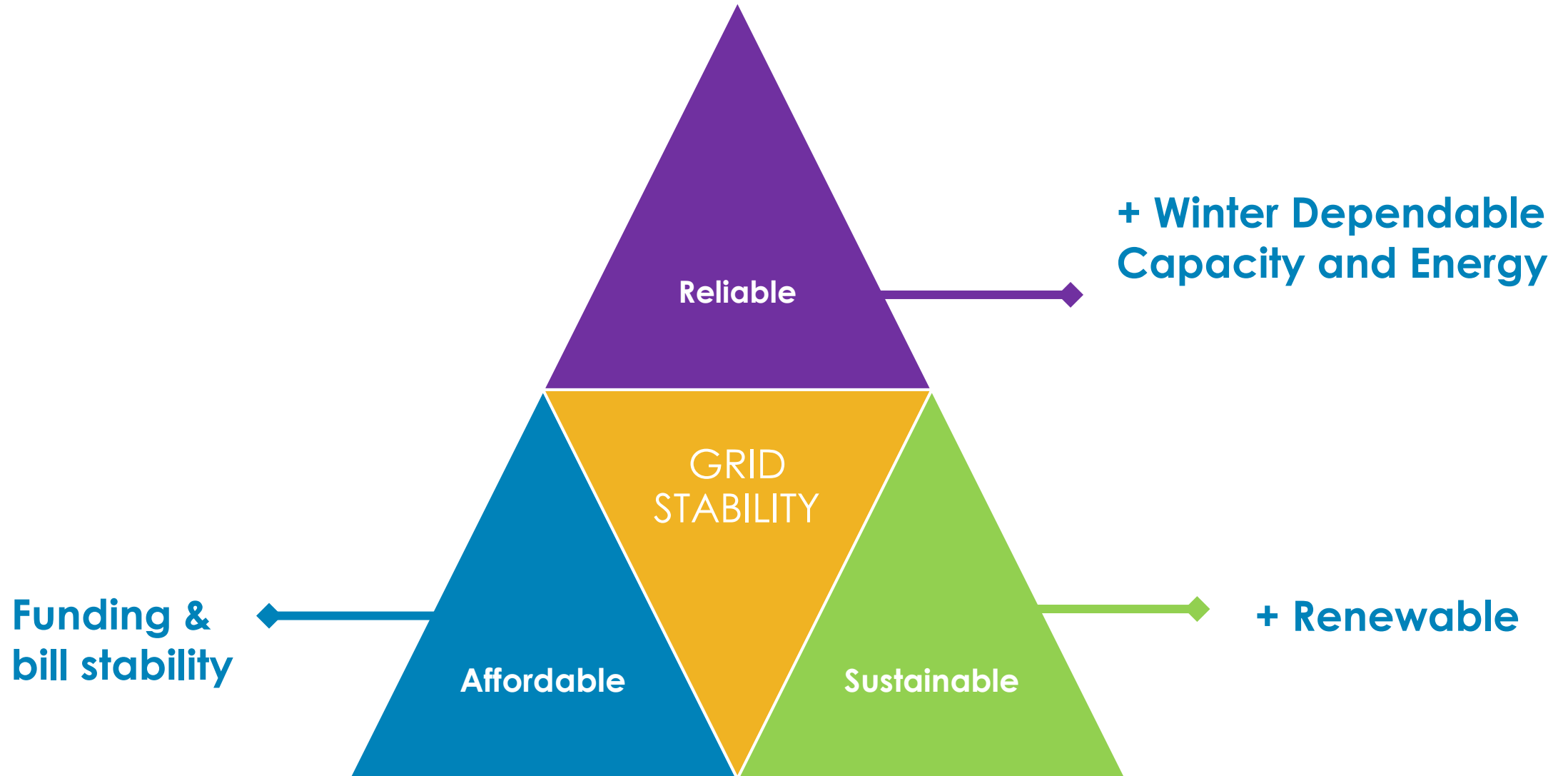
Yukon's electricity landscape

An aerial photograph of a hydroelectric dam on a river. The dam is a concrete structure with water cascading over it, creating white rapids. The river is surrounded by dense green forests and mountains in the background. A road curves along the riverbank. The sky is blue with some clouds.

Yukon Energy

- Yukon-based. Owned by Government of Yukon and operated at arms-length
- Generate about 98% of the Yukon's electricity
- Sell most electricity we generate to ATCO Electric Yukon at wholesale rate
- Deliver electricity directly to about 10% of homes and businesses in the Yukon, primarily in Dawson, Mayo and Faro
- Sell electricity to two mines connected to the grid

Our focus



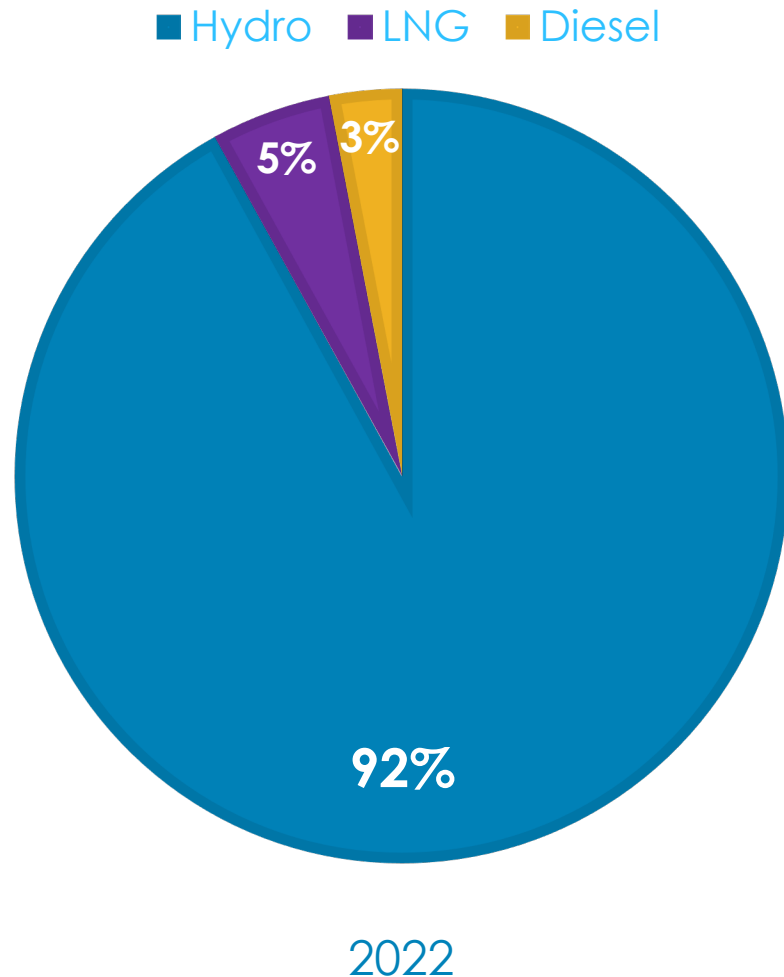
Yukon's electricity grid



Isolated:

- Not connected to another grid
- Must be able to supply all electricity needed on our own
- Cannot buy or sell power

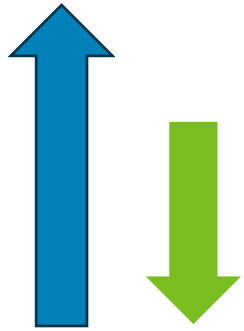
Yukon's electricity grid



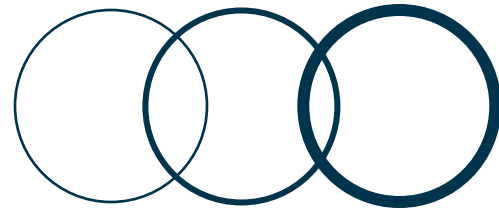
Renewable:

On average, more than 90% of the electricity we generate is renewable.

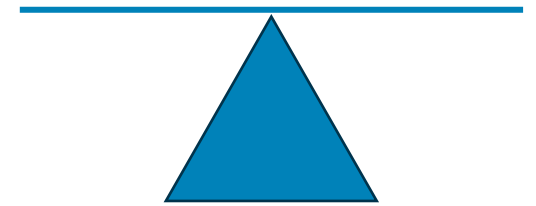
Yukon's electricity grid



Seasonal mismatch
between supply & demand



Transformation
The way people use and
supply electricity is changing



No economies of scale
Big investments, small customer
base to cover costs

Challenges we face



Faster growth in population than any other province or territory in Canada

High rate of growth in peak demand for electricity

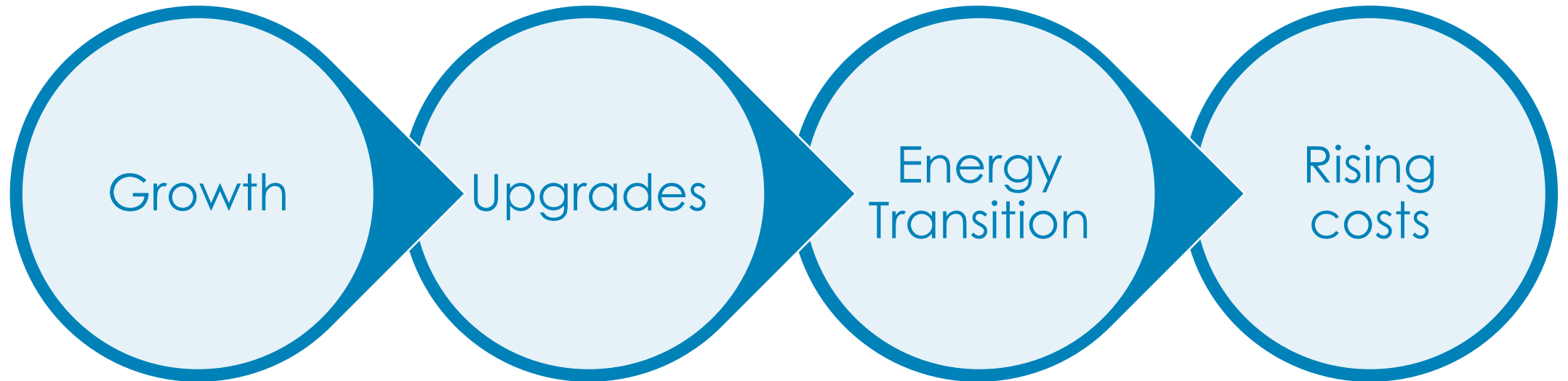
Aging infrastructure

Rapid electrification is adding pressure to the system

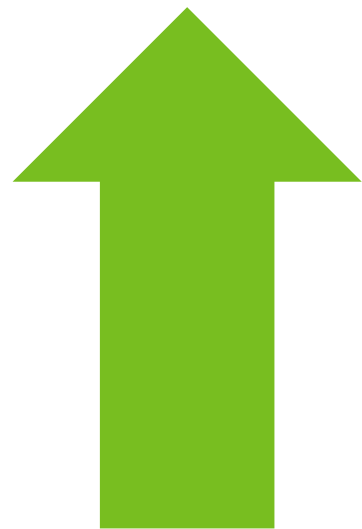
Rising costs and project complexity

Key drivers for rate increase

Key drivers



Peak demand for electricity



23%

increase in
the last five
years



36%

increase by
2030

Does not include industrial load

Diesel rental cost

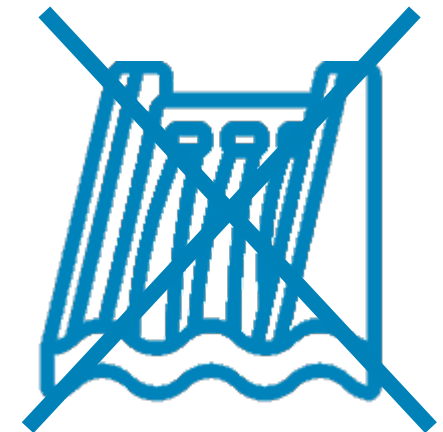
Why do we need rental diesels?



Winter peak demand

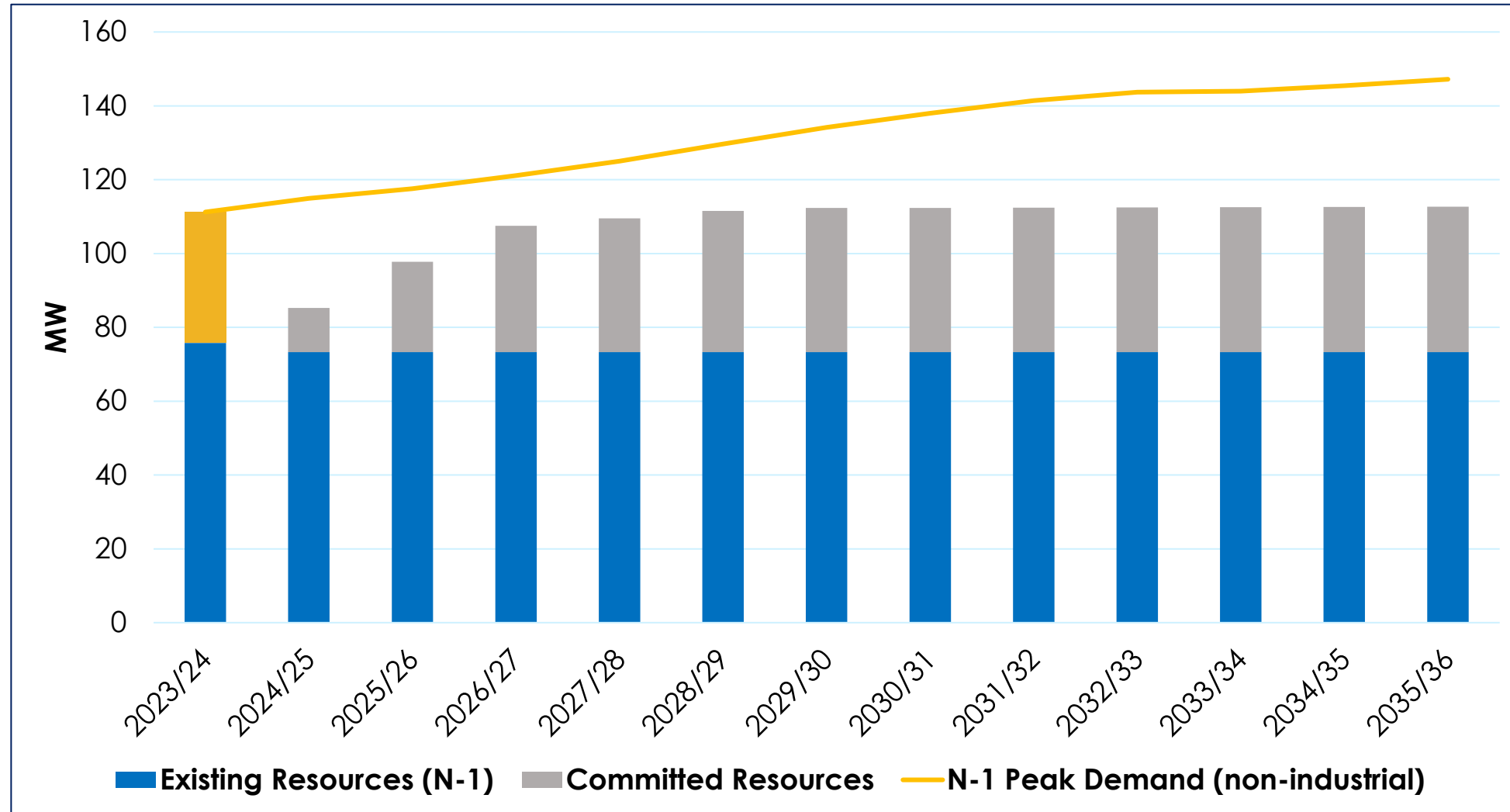


Emergencies



Hydro not available

Diesel is how we currently meet winter peak demand

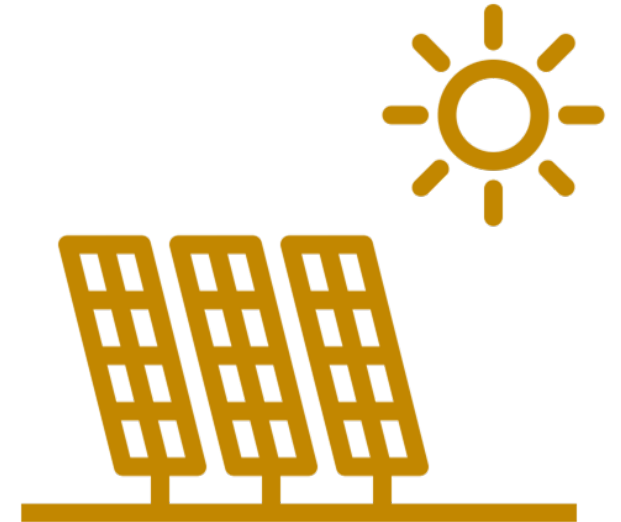
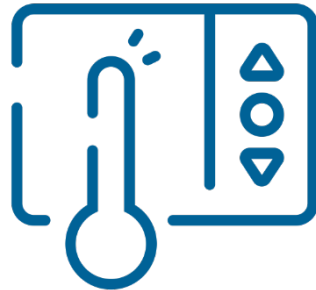
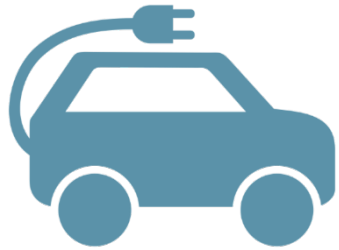
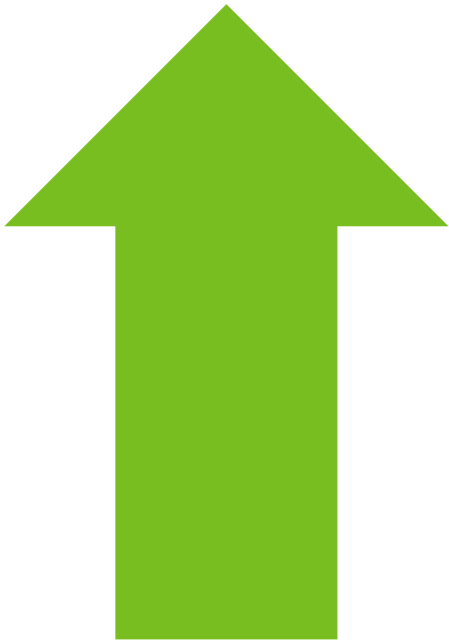


Maintaining & upgrading our system

- System components installed in the 50s and 60s must be upgraded and maintained



Supporting the energy transition



Rising costs of material and labour

- Higher costs of doing business
- More resources needed to execute growing number & complexity of projects



Greater investments are needed



\$35 million

2021 capital program
(actual)

\$80 million

2024 capital program
(forecast)

Summary of our 2023/24 Application

Our 2023/24 application

	2023 (\$M)	2024 (\$)
Revenue Requirement	\$81.440	\$90.425
Current revenue (2021 rates)	\$74.021	\$74.353
Shortfall	\$6.667	\$15.320

Additional revenue is required to pay for the necessary investments in the electricity system and reflect the rising costs of doing business

Rate strategy

- Provide bill stability and limit impact of rate changes on monthly electricity bills.
- Apply rate increase at the same time other charges are being reduced or expire.
 - January 1, 2024: Rider F – Fuel Price Rider to be reduced
 - August 1, 2024: YEC 2021 GRA True-Up Rider expires

Proposed rate implementation

Date of rate adjustment	Rate increase	Bill increase [Residential]
October 1, 2023	3.34%	3.0%
January 1, 2024	8.44%	0.0%
August 1, 2024	2.33%	3.0%
Total:	14.11%	6.1%

Anticipated bill increases are less than recent inflation

Anticipated bill impacts

Net August 2024 impact to average monthly electricity bills when compared to bills in July 2023 (YEC increase only):

Pre-2023/24 GRA	2023/24 GRA		
July 2023	October 1, 2023 Interim	January 1, 2024 Second Interim	August 1, 2024 Final/True-up
A	B	C	D

Monthly Bills

Residential Non-Government, Whitehorse [\$/month]

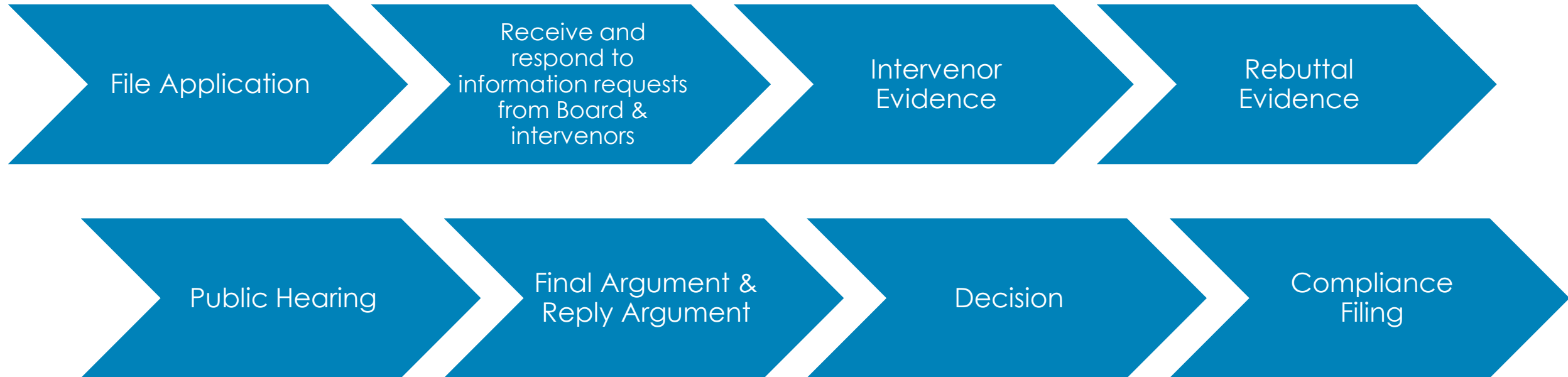
1,000 kWh/month consumption	\$215.2	\$221.7	\$221.7	\$228.4
<i>change from July 2023, \$/month</i>		<i>\$6.5</i>	<i>\$6.5</i>	<i>\$13.2</i>

Commercial Non-Government, Whitehorse [\$/month]

2,000 kWh/month consumption [5 kW demand]	\$379.0	\$390.4	\$386.1	\$397.8
<i>change from July 2023, \$/month</i>		<i>\$11.4</i>	<i>\$7.1</i>	<i>\$18.8</i>

Regulatory process

The process



Timelines



Process Step	Date
Application filed by YEC	August 31, 2023
Interveners register with the Board	September 22, 2023
YEC workshop	October 11, 2023
Information Requests (IRs) to YEC	November 1, 2023
IR responses from YEC	November 29, 2023
Oral public hearing	March 4 to 7, 2023
Final and Reply Arguments	March 22 and March 29, 2024

For more information please visit:

yukonutilitiesboard.yk.ca



yukon
energy