

Yukon Utilities Board approves 4.7 per cent permanent increase to electricity bills

INCREASE NEEDED TO PAY FOR PAST YUKON ENERGY INVESTMENTS IN THE ELECTRICAL SYSTEM

Yukoners need sustainable, reliable and cost-effective electricity today and into the future. To ensure we have it, Yukon Energy invests millions of dollars to build, operate and maintain our electricity supply and transmission assets.

On November 24, 2019, our regulator, the Yukon Utilities Board, approved a 4.7 per cent permanent increase to electricity bills, effective December 1, 2019. The decision follows a 29-month review of our 2017/2018 General Rate Application and a 4.6 per cent interim increase to bills on September 1, 2017.

REGULATORY DELAYS WILL COMPOUND EFFECT OF INCREASE ON CUSTOMERS

Unfortunately, delays in receiving this regulatory decision means we now have to collect the revenue we needed for 2017, 2018 and eleven months of 2019 at the same time we collect the revenue we need today. To do this, electricity bills will increase by **an additional 7.1 per cent** between December 1, 2019 and November 30, 2021.

CUSTOMER BILL IMPACTS

The 4.7 per cent permanent increase will add:

\$7.90 per month to the **Average Residential Electricity Bill**¹

\$13.77 per month to the **Average Commercial Electricity Bill**²

The 7.1 per cent temporary increase will add an additional:

\$12.58 per month to the **Average Residential Electricity Bill**¹

\$21.92 per month to the **Average Commercial Electricity Bill**²

¹ based on 1,000 kWh/month, non-government account

² based on 2,000 kWh/month, non-government account

CHANGES TO THE AVERAGE RESIDENTIAL BILL

Increases highlighted in blue.

Based on 1,000 kWh consumption, non-government account.

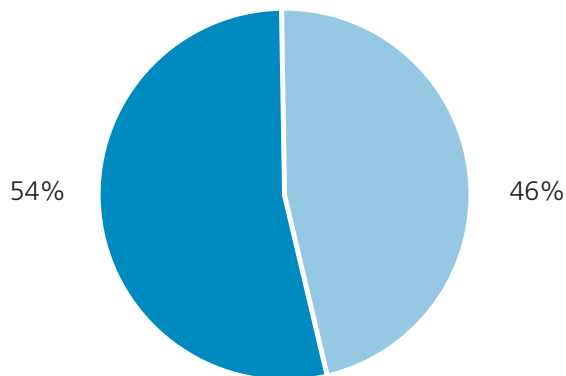
| Electricity Charges | Nov 30, 2019 | Dec 1, 2019 with permanent increase | Dec 1, 2019 with permanent and temporary increase |
|--|-----------------|--|--|
| Customer Charge | \$14.65 | \$14.65 | \$14.65 |
| Energy Charge | \$121.40 | \$121.40 | \$121.40 |
| Base Rate | \$136.05 | \$136.05 | \$136.05 |
| Yukon Energy Revenue Shortfall Rider | \$22.46 | \$30.36 (+\$7.90 permanent increase) | \$30.36 (+\$7.90 permanent increase) |
| Yukon Energy Temporary Rider | – | – | \$12.58 (+\$12.58 temporary increase) |
| AEY Rate Adjustment Rider | \$11.29 | \$11.29 | \$11.29 |
| Fuel Adjustment Rider | (\$0.11) | (\$0.11) | (\$0.11) |
| Subtotal before rebates and taxes | \$169.69 | \$177.59 (+4.7% increase) | \$190.17 (+4.7% increase + 7.1% increase compounded) |
| Yukon Interim Electrical Rebate | (\$23.95) | (\$23.95) | (\$23.95) |
| Subtotal with rebates, before taxes | \$145.74 | \$153.64 | \$166.22 |
| GST (5%) | \$7.29 | \$7.68 | \$8.31 |
| Total | \$153.03 | \$161.32 | \$174.53 |

WHY THE INCREASE WAS NEEDED

Yukon's continuing demand for sustainable and reliable electricity comes at a cost. The increase to electricity bills was needed to pay for:

- past costs to upgrade aging infrastructure and build new projects; and
- inflation costs related to running our business, operations and maintenance.

DRIVERS FOR THE INCREASED COSTS



54% Past costs to upgrade aging infrastructure and build new projects.¹
Ex: upgrades to the Takhini substation, building the Whitehorse LNG facility (units 1 & 2) and major repairs to the elevator shaft at our Aishihik hydro facility.

46% Inflation costs to run our business, operations and maintenance.
Ex: increasing costs for labour, materials and contractors.

¹less interest rate savings

WHAT CAN YUKONERS DO TO SAVE MONEY ON THEIR ELECTRICITY BILL?

We know that even a small rate increase is a hardship for some people. The best way for Yukoners to reduce their electricity bill is to reduce the amount of electricity they use. Fortunately, there are simple steps you can take to use less electricity and keep bills affordable.

- Turn off lights when you leave a room.
- Take a five-minute shower instead of 10.
- Use LEDs instead of incandescent lights.
- Use a block heater to charge your vehicle only three hours before you need it.
- Use a programmable thermostat to heat your home only when you are there.

YUKON RATES COMPARED TO OTHER JURISDICTIONS

Yukon's residential electricity bills are still the lowest in the North and competitive with other jurisdictions in Canada and United States.

| | |
|-------------------|------------------|
| Yukon | \$177.59* |
| Yellowknife, NWT | \$323.67 |
| Iqaluit, NU | \$585.60 |
| Montreal, QC | \$72.99 |
| Vancouver, BC | \$116.20 |
| Calgary, AB | \$157.42 |
| Halifax, NS | \$166.86 |
| Seattle, WA | \$161.96 |
| Chicago, IL | \$185.36 |
| San Francisco, CA | \$311.08 |

*with newly approved permanent rate and existing fuel rider, December 1, 2019.

Northern data provided by individual utilities. Data for other cities provided by Hydro Quebec. *2019 Comparison of Electricity Prices in Major North American Cities. Rates in effect April 1, 2019.*

Numbers are based on 1,000 kWh/month consumption, before rebates and taxes, and non-government accounts in the North. In Canadian dollars.

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