

YUKON
ENERGY



YUKON ENERGY
CORPORATION

P.O. Box 5920
WHITEHORSE
YUKON Y1A 5L6
(867) 393-5300

File: 3305-02-04

September 8, 2010

Yukon Utilities Board
Box 31728
Whitehorse, YT
Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

Re: Quarterly Adjustment to Secondary Sales Rates as of October 1, 2010

Pursuant to Rate Schedule 32 Secondary Energy (as approved in Board Order 2005-12), the following sets out the quarterly adjustment to the Secondary Energy rate effective for bills issued on or after October 1, 2010.

October 1, 2010 Rate Determination

As outlined in Rate Schedule 32, the Secondary Energy rate for October 1, 2010 is based on the published Yukon Territorial Government – Bureau of Statistics biweekly price for Furnace Oil in Whitehorse for the three reporting periods prior to the 20th day of August 2010. The lowest value of the three (net of GST) is the “Oil Price Index”. The three reported values (including GST) are as follows:

July 14, 2010 = \$ 0.985 /litre
July 28, 2010 = \$ 1.001 /litre
August 11, 2010 = \$ 1.012 /litre

Consequently the Oil Price Index for the October 1, 2010 rate is 93.81 cents/litre (the July 14, 2010 value of 98.5 cents/litre less the GST included in that value). An Oil Price Index of 93.81 cents/litre equals a Secondary Energy price of 6.6 cents/kW.h (compared to the July 1, 2010 revised price of 6.7 cents/kW.h) and results in a Rate Schedule 43 Wholesale Secondary energy price of 5.5 cents/kW.h (compared to the July 1, 2010 revised price of 5.6 cents/kW.h).

Notification of Interested Parties

Rate Schedule 32 provides that the Secondary Energy Charge is to be filed with the Board at least 30 days in advance of the Rate Period. Yukon Energy intends to maintain this practice even though Secondary Sales have been suspended effective September 1, 2010 due to insufficient surplus hydro.

As with past notifications regarding the rate change Yukon Energy is providing notice to Yukon Electrical Company Limited at the same time as notice is sent to the Board. The updated Rate Schedule 32 rate will also be posted on Yukon Energy's website. Unlike past quarterly rate adjustments, Secondary Retail customers will not be notified by a billing advisory message as they will not receive a monthly bill while secondary sales are suspended.

Sincerely,



Hector Campbell, P.Eng, MBA.
Director, Resource Planning & Regulatory Affairs

c: Yukon Electrical Company Limited