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Your File#:
Our File#: 71310-0009TDM

October 21, 2008

Yukon Utilities Board
Box 31728
Whitehorse, Yukon, Canada
Y1A 6L3

Attention: Ms. Wendy Shanks, Chair

Dear Ms. Shanks:

Re: YEC General Rate Application, Interim Refundable Rates

Yukon Energy Corporation filed a 2008-09 GRA dated October 6, 2008, which included application for interim refundable rates effective November 1, 2008. The Board has invited comments from Interested Parties with respect to the request for interim refundable rates.

The City of Whitehorse (CW) has reviewed this application. CW is generally supportive of the proposed decrease in rates resulting from increased revenues arising primarily from forecast sales to the Minto Mine. However, in the experience of CW's counsel and consultants, interim rate changes are generally applied uniformly across-the-board to all existing rates without rate restructuring. CW is concerned that changes to the existing rate design should not be considered in an interim rate application because the level of scrutiny necessary to review these proposed changes to rate design is not possible in the time available. CW submits that it is more appropriate to consider the proposed rate restructuring in the context of a Phase II process.

As such, CW submits that, effective November 1, 2008, the relevant cost savings should be applied uniformly across-the-board to all current rates on an interim refundable basis until such time as the Board issues a Phase II decision. Alternatively, CW has examined the suggestion that Rider J be utilized to flow through the benefits, and as this appears to be another mechanism to do so across all rate classes, CW would have no objection to utilizing that mechanism.

Please contact the writer with any questions or concerns.

E0728125


Sincerely,

BROWNLEE LLP

PER:

Thomas Marriott

Tue Oct 21 17:33:34 2008

A handwritten signature in black ink, appearing to read 'T. Marriott', is written over a solid horizontal line.

THOMAS D. MARRIOTT