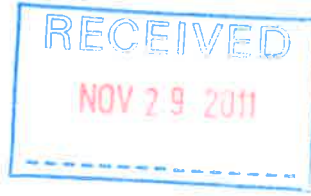


YUKON
ENERGY



YUKON ENERGY
CORPORATION

P.O. Box 5920
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YUKON Y1A 6S7
(867) 393-5300

File: 3305-02-04

November 21, 2011

Yukon Utilities Board
Box 31728
Whitehorse, YT
Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

Re: Quarterly Adjustment to Secondary Sales Rates as of January 1, 2012

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 January 1, 2012.

January 1, 2012 Rate Determination

As outlined in Rate Schedule 32, the Secondary Energy rate for October 1, 2011 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 November 2011. The lowest value of the three (net of GST) is the “Oil Price Index”. The three reported values (including GST) are as follows:

| | |
|-------------------|-------------------|
| October 19, 2011 | = \$ 1.294 /litre |
| November 2, 2011 | = \$ 1.328 /litre |
| November 16, 2011 | = \$ 1.357 /litre |

Consequently the Oil Price Index for the January 1, 2012 rate is 123.24 cents/litre (the October 19, 2011 value of 129.40 cents/litre less the GST included in that value). An Oil Price Index of 123.24 cents/litre equals a Secondary Energy price of 8.6 cents/kW.h (compared to the October 1, 2011 revised price of 8.4 cents/kW.h) and results in a Rate Schedule 43 Wholesale Secondary energy price of 7.5 cents/kW.h (compared to the October 1, 2011 revised price of 7.3 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 will maintain this practice even though Secondary Sales have once again been suspended effective October 1, 2011 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. 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