



**YUKON ENERGY
CORPORATION**
P.O. Box 5920
WHITEHORSE
YUKON Y1A 6S7
(867) 393-5300

File: 3305-02-04

August 29, 2016

Yukon Utilities Board
Box 31728
Whitehorse, YT
Y1A 6L3

Attention: Mr. Robert Laking, Chair

Re: Quarterly Adjustment to Secondary Sales Rates as of October 1, 2016

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 consumption on or after October 1, 2016.

October 1, 2016 Rate Determination

As outlined in Rate Schedule 32, the Secondary Energy rate for October 1, 2016 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 2016. The lowest value of the three (net of GST) is the “Oil Price Index”. The three reported values (including GST) are as follows:

July 20, 2016 = \$ 0.922 /litre
August 3, 2016 = \$ 0.908 /litre
August 17, 2016 = \$ 0.908 /litre

Consequently the Oil Price Index for the October 1, 2016 rate is 86.48 cents/litre (the August 17, 2016 value of 90.80 cents/litre less the GST included in that value). An Oil Price Index of 86.48 cents/litre equals a Secondary Energy price of 6.0 cents/kW.h (compared to the July 1, 2016 revised price of 5.7 cents/kW.h) and results in a Rate Schedule 43 Wholesale Secondary energy price of 4.9 cents/kW.h (compared to the July 1, 2016 revised price of 4.6 cents/kW.h).

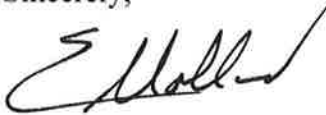
Notification of Interested Parties

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. As with past notifications regarding the rate change, Yukon Energy is providing notice to ATCO Electric Yukon (AEY) at the same time as this notice is sent to the Board. The updated Rate Schedule 32 rate sheet will also be posted on Yukon Energy's website. Secondary Retail customers will be notified by a billing advisory message on their monthly bill when their retail account is actively in service.

Current Status of Secondary Sales

Secondary Sales were made available effective May 10, 2016 for non-SCADA connected customers and are expected to remain available until September of 2016 depending on operational projects.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Mollard', written in a cursive style.

Ed Mollard
Chief Financial Officer

Email copy: ATCO Electric Yukon