



John F. Maissan – President

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Yukon Utilities Board
P. O. Box 3178
Whitehorse, Yukon
Y1A 6L3

Attn: Mr. Bruce McLennan, Chair

Dear Mr. McLennan:

Re: Yukon Energy letter dated October 11, 2012 requesting interim refundable rates for 2013

I am in receipt of Yukon Energy's October 11, 2012 letter requesting a 6.5% interim refundable rate increase (Rider R) for 2013 to be implemented on January 1, 2013.

Assuming my calculations are correct, if this increase was to be granted and remain in place for the entire 2013 year, Yukon Energy would have collected about 83.8% of the non-industrial revenue requested over the two test years. A bit more with industrial revenue included because of their rate increase on January 1, 2012. While it is unlikely that the interim rate would be in effect for more than 4 or 5 months before final rates are approved and implemented, I am not comfortable with that rate of revenue collection.

A 5% Rider R applied over the course of 2013 would still allow Yukon Energy to collect about 75.7% of its non-industrial revenue requested over the two test years (again a bit more with industrial revenue included). It is my view that this is a more realistic expectation of the revenue requirement increase that will ultimately be approved by the Board for the two test years. This would mean that any further rate adjustment to collect from or refund to customers any approved revenue differences from that being collected would be minimized.

In summary I consider it appropriate to have an interim refundable rate increase (Rider R) for 2013 to be implemented on January 1, 2013. However, I do not support a 6.5% interim refundable rate but I would support a Rider R of 5.0% (or less).

Yours truly,

John Maissan

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