

FROM THE OFFICE OF P. John Landry  
DIRECT LINE 604.643.2935  
DIRECT FAX 604.605.3588  
E-MAIL john\_landry@davis.ca

FILE NUMBER 84813-75744

January 14, 2011

Mr. Bruce McLennan, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, YT Y1A 6L3

Dear Mr. McLennan:

**Re: Rate Schedule 39 - Re Order 2010-12**

---

Pursuant to Order 2008-13, on November 30, 2010 Yukon Energy filed a letter with the Board seeking approval for escalation of the Demand and Energy charges in Rate Schedule 39 by 2.8%, effective January 1, 2011. This adjustment was required due to the automatic adjustment mechanisms in OIC 2007/94. Order 2010-12 established a written process for review of this matter.

On January 10, 2011, John Maissan (Leading Edge) filed an application for intervenor status which included a list of the issues he intends to pursue during this proceeding. Yukon Energy has reviewed this issues list and has serious concerns that the issues proposed for review are well outside the scope of the requested approval sought by YEC in the November 30, 2010 letter to the Board.

The requested approval is a very simple annual administrative filing to increase the demand and energy charges in Rate Schedule 39 to reflect inflation as mandated by OIC 2007/94. it is inappropriate to use this narrowly focused proceeding to include an examination of issues unrelated to the requested approval. The following points are noted in this regard:

- The Rate is fixed by OIC 2007-94 until January 1, 2013 – any examination of the rate can only be undertaken at that time.
- Industrial Rate Schedule 39 was reviewed and approved by Order 2008-13 as part of a written process in 2008.
- The current filing follows closely after several extensive proceedings where intervenors had more than sufficient opportunity to raise any concerns regarding industrial rate issues; this included Yukon Energy's 2008 General Rate Application, the 2009 Phase II Rate

Application proceeding and the recent specific review of the Power Purchase Agreement for the Alexco mine.

Yukon Energy requests that the Board provide direction to intervenors that this is a narrow proceeding focused on the 2.8% increase to the demand and energy charge in Rate Schedule 39 as required pursuant to OIC 2007/94, and that broader issues related to OIC 2007-94 and industrial rate policy matters are outside the scope of this review.

Yours truly,

**DAVIS LLP**

Per:

P. John Landry

PJL/sas