

YUKON
ENERGY



YUKON ENERGY
CORPORATION

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File: 2703-01-01

December 30, 2010

Mr. Bruce McLennan, Chair
Yukon Utilities Board
Box 31728
Whitehorse, Yukon 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 pursuant to the requirement in OIC 2007/94. The November 30th letter described the OIC 2007/94 direction to the Board on the specific annual escalations to be made effective January 1 for each of the referenced years (2010¹, 2011 and 2012)², and did not anticipate any basis for delay in this regard.

On December 23, 2010 the Yukon Utilities Board issued Order 2010-12 establishing a written process for review and approval of the escalation of demand and energy charges by 2.8% pursuant to OIC 2007/94 and as noted in the November 30, 2010 letter from YEC. Under the process set out in Order 2010-12, finalization of the rate escalations is now not expected until March 2011 at the earliest, and no rate escalation will be in effect as of January 1st as required by OIC 2007/94

To comply with the requirements of OIC 2007/94, Yukon Energy hereby requests that escalation of Demand and Energy charges in Rate Schedule 39 by 2.8%, as set out in YEC's November 30, 2010 letter, be provided on an interim refundable basis effective January 1, 2011.

Yours Truly,

Ed Mollard
Chief Financial Officer

¹ Over 2009 there was no percentage increase in the 12 month Implicit Chain Price Index and no requirement to increase Demand and Energy charges in 2010 in Rate Schedule 39 (a letter was filed with the Board noting this on December 24, 2009).

² Specifically, OIC 2007/94 requires as follows: "Demand and Energy charges for the directed changes are to be escalated once each calendar year, starting January 1, 2010 based on the latest percentage increase in the 12 month implicit chain price index for gross domestic product at market prices for Canada as reports by Statistics Canada."