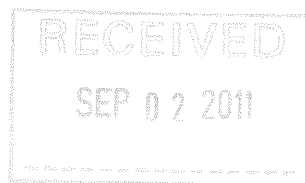


YUKON  
ENERGY



YUKON ENERGY  
CORPORATION

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



File: 3305-02-04

August 25, 2011

Yukon Utilities Board  
Box 31728  
Whitehorse, YT  
Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

**Re: Quarterly Adjustment to Secondary Sales Rates as of October 1, 2011**

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 October 1, 2011.

***October 1, 2011 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 20<sup>th</sup> day of August 2011. The lowest value of the three (net of GST) is the “Oil Price Index”. The three reported values (including GST) are as follows:

July 13, 2011 = \$ 1.273 /litre  
July 27, 2011 = \$ 1.263 /litre  
August 10, 2011 = \$ 1.26 /litre

Consequently the Oil Price Index for the October 1, 2011 rate is 120.00 cents/litre (the August 10, 2011 value of 126.00 cents/litre less the GST included in that value). An Oil Price Index of 120.00 cents/litre equals a Secondary Energy price of 8.4 cents/kW.h (compared to the July 1, 2011 revised price of 8.4 cents/kW.h) and results in a Rate Schedule 43 Wholesale Secondary energy price of 7.3 cents/kW.h (compared to the July 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. As with past notifications regarding the rate change Yukon Energy is providing Yukon Electrical Company Limited with notification of quarterly rate changes 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.

As the suspension of secondary sales imposed in September 2010 is being temporarily lifted (effective August 26, 2011 until approximately September 30<sup>th</sup>, 2011) retail customers will be notified by a billing advisory message which will appear on their monthly bills when the rate change takes effect.

Sincerely,



Hector Campbell, P.Eng, MBA.  
Director, Resource Planning & Regulatory Affairs

c: Yukon Electrical Company Limited