



**YUKON ENERGY
CORPORATION**
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(867) 393-5300

June 22, 2017

Mr. Robert Laking, Chair
Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Mr. Laking:

Re: Yukon Energy Corporation 2017 and 2018 General Rate Application

Attached to this letter is the electronic version of Yukon Energy's 2017 and 2018 General Rate Application ("Application" or "GRA"). The filing consists of the Application and the Supporting Documents (comprising 10 tabs of detailed materials in Volume 1 and the Yukon Energy 2016 Resource Plan in Volume 2).

This GRA deals primarily with Yukon Energy revenue requirement matters for the 2017 and 2018 test years. It does not address in any material way cost of service and general rate design matters that would require joint work with ATCO Electric Yukon ("AEY").

Rate increases are proposed by Yukon Energy for each test year through implementation of adjustments to Rider J (applicable to firm retail and industrial customers throughout Yukon) to recover the Revenue Requirements to supply customers in 2017 and 2018. All AEY recoveries from these riders would flow through to Yukon Energy. The Application conforms to the OIC 2014/23 rate direction that all rate adjustments for retail customers and major industrial customers apply equally, when measured as percentages, to all classes of retail customers and to the class of major industrial customers.

The Application addresses required changes to rates to recover forecast revenue shortfalls for 2017 and 2018. Key factors driving required rate increases include changes in Yukon Energy's non-industrial loads and extension of existing industrial loads through 2018; material capital and planning expenditures as well as increased operating expenses since the 2012/13 GRA; and costs related to projects held in WIP from the 2012/13 GRA (pursuant to Board Order 2013-01).

The requested approvals are set out in detail in the Application document.

Application for Interim Retail Rates in 2017

Rates arising from the final order in this GRA are not expected to be approved and in place until early 2018. Interim refundable rate orders provide necessary flexibility to accommodate regulatory lag between the GRA filing date and the date of the final Board order in the matter. This effectively helps keep both ratepayers and Yukon Energy whole.

The Application includes a request to implement an interim refundable Rider J increase of 9.04% applicable to firm retail customers and industrial customers, effective September 1, 2017. This will ensure that Yukon Energy has a reasonable ability to recover its prudent costs for 2017 (as may be finally approved by the Board after a full hearing). Any required "true up" between the utility and ratepayers for 2017 will be part of the Board's final order setting out rates arising from this Application.

Proposed Process

Yukon Energy proposes that the Board establish a process at the earliest opportunity to allow for interested parties to be registered, and for a schedule to be developed for full public review of this Application. Considering the timelines set for Yukon Energy's 2012/2013 GRA we attach for the Board's consideration a proposed schedule. Yukon Energy will arrange for publication of a Notice of the Board's process and date for public hearing in the local press once these plans are finalized.

As has been done in the past, the schedule contemplates a workshop early in the process at which Yukon Energy will provide an overview of the overall Application for interested parties and Board staff. This potential workshop can be structured as required to accommodate the interests of the Board.

Notifications of this filing are being sent to AEY as well as intervenors in the 2012/2013 General Rate Application hearing. Copies of this letter and the Application are accessible on Yukon Energy's website at www.yukonenergy.ca/about-us/business-documents/regulatory-filings; electronic copies of the 2016 Resource Plan (filed as volume 2 to the Application) and related appendices can be found at <http://www.resourceplan.yukonenergy.ca/more/>.

If you have any questions regarding the above please call.

Yours truly,



Ed Mollard
Chief Financial Officer

**YUKON ENERGY
2017/2018 GENERAL RATE APPLICATION**

PROPOSED SCHEDULE

Application filed with YUB June 22, 2017

Pre-hearing Conference and Workshop

Publish Notice June 26, 2017

Intervenors Register with Board July 10, 2017

Workshop July 17, 2017
(Yukon Energy to provide summary of its proposals and Application)

Proposed Schedule for Review of Application

IRs to Yukon Energy August 7, 2017
Yukon Energy responses (7 weeks) September 25, 2017

Intervenor Evidence filed (3 weeks) October 16, 2017

IRs to Intervenors on their Evidence (2 weeks) October 30, 2017
Intervenor responses (2 weeks) November 13, 2017

YEC Rebuttal Evidence (if necessary) (1 week) November 20, 2017

Oral Hearing December 4-6, 2017

Notes – Canada Day Holiday is July 3, 2017; Discovery Day is August 21, 2017; Labour Day is September 4, 2017; Thanksgiving is October 9, 2017; Remembrance Day is November 11, Christmas is December 25, Boxing Day is December 26 and New Years Day is January 1.