
RATE SCHEDULE - 32

SECONDARY ENERGY

AVAILABLE:

Secondary energy is available from time to time to General Service or Industrial customers in parts of the WAF and Mayo-Dawson systems as determined by Yukon Energy based on the availability of surplus hydro.

The rate is only available to new secondary loads in areas where there is sufficient surplus distribution system capacity at the time of connection. In areas where there is insufficient surplus distribution capacity at the time of connection, the customer will be required at that time to pay for any distribution upgrades required to service the new secondary load or, where the required upgrades are already planned for a future date, the cost of advancing those upgrades.

Yukon Energy has discretion to end subscription to the program (and limit quantities delivered) on a system when the supply of surplus energy on that system becomes fully contracted. The specific subscription limit will be dependent on the types of loads that enroll in future, their seasonality and load diversity.

APPLICABLE:

Secondary energy is applicable only to customers satisfying all of the following conditions:

- (1) The secondary energy is provided on a separate service fully interruptible at the request of the utility.
- (2) The utility distributing the secondary energy (i.e., Yukon Energy or YECL) is satisfied that the secondary energy usage by the customer is in excess of normal consumption and represents incremental electric usage displacing an alternative fuel source by an appliance primarily installed in order to provide space or process heating.
- (3) A viable alternative fuel source is available to the customer, capable of providing the same quantity of space or process heating in the event of electric power interruptions of unlimited duration.



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- (4) Customers taking Secondary Energy will not be allowed to have these loads shifted to be served by any firm (primary) service without providing the distributing utility (i.e., Yukon Energy or YECL) with 12 months notice (unless waived at Yukon Energy's discretion). Once any such Secondary Energy load is switched to firm service, it will not be able to switch back to Secondary Energy service in future.

RATE:

Charges for service in any one billing month during any Rate Period shall apply the Secondary Energy Charge for that Rate Period.

The Secondary Energy Charge for any three month Rate Period, starting January 1, 2005 and adjusted thereafter on the first day of every third subsequent month (i.e., on April 1, July 1 and October 1 in 2005 and similarly in each following year), is to be published and filed with the Board by Yukon Energy at least 30 days in advance of the Rate Period. The Secondary Energy Charge for any Rate Period is to be set in accordance with the following procedure:

Step A: Determine a price per MJ for heat energy from oil: The Oil Price Index (cents/litre net of GST) for the Rate Period (as determined below) divided by 38.2 MJ/litre to yield a price in cents per MJ.

Step B: Determine a price per MJ of delivered heat from oil: Divide the result from step A by an efficiency rate of 90%.

Step C: Convert price of delivered heat energy from oil to an equivalent price for heat energy from electricity: multiply the result from step B by 3.6 MJ/kW.h to yield a price in cents per kW.h.

Step D: Set at 66.7% ratio: Multiply the result from Step C by 66.7% to yield the quarterly Secondary Energy Charge for the Rate Period in cents/kW.h.

The Secondary Energy Charge derived in Step D for any Rate period shall be applied to all Secondary Energy kW.h consumed in each month during that Rate Period.



The Oil Price Index for each Rate Period shall equal the lowest of the three most recently reported Retail Heating Fuel Price values for Furnace Oil in Whitehorse (as collected bi-weekly and reported by the Yukon Bureau of Statistics) prior to the 20th day of the mid-month in the prior Rate Period (e.g., for the Rate Period starting January 1, 2005, the three latest prices published prior to November 20, 2004).

In accordance with the above procedure, the Secondary Energy Charge for the three month Rate Period starting January 1, 2005 is 5.2 cents per kW.h.

INTERRUPTIONS:

Customers have two options with regards to interruption:

- (1) Customers can opt for installing a SCADA-controlled service that allows Yukon Energy to initiate interruptions on 15 minutes notice, as and when required only for actual real-time diesel generation being required on the respective system or for system emergencies or outages, or
- (2) Customers can have a standard metered service. Under this option, the customers' supply will be interrupted after 24 hours notice at any time that Yukon Energy forecasts a need to run diesel units for more than 10% of the hours in the subsequent seven day period, or that Yukon Energy begins running diesels for unforecast reasons and expects the diesel operation to continue for more than 48 hours.

INSTALLATION COST:

The customer is responsible for any cost of installing the separate service, metering and any SCADA load control apparatus that is in excess of the relevant Utility Investment provision in the Electrical Service Regulations. The customer is also responsible for any costs of upgrading or advancing distribution system capacity improvements necessitated by their Secondary Energy load.

**ELECTRIC
SERVICE
REGULATIONS:**

The Company's Electric Service Regulations approved by the Yukon Utilities Board form part of this rate schedule and apply to the Company and every customer supplied with electric service by the Company in the Yukon and British Columbia.



THE YUKON ELECTRICAL COMPANY LIMITED
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Copies of the Electric Service Regulations are available for inspection in the offices of the Company during normal working hours.