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**YUKON GOVERNMENT EXTENDS RATE STABILIZATION FUND**

WHITEHORSE – The Yukon government is extending the current Rate Stabilization Fund (RSF) on an interim basis for two years. That means the government will continue to provide an electrical subsidy for businesses and residences during this time.

“Over the two-year period, the Department of Energy, Mines and Resources and the Yukon Development Corp. will undertake a review of the RSF program,” Energy, Mines and Resources Minister Archie Lang said. “They will make long-term recommendations about the future of this program prior to its expiration on March 31, 2007.”

While working to address a longer-term solution, the government recognizes the importance to consumers of knowing what their power costs will be over the next few years. Without the extension, the amount that consumers pay for residential electricity would increase April 1 by up to 33 per cent, and commercial and municipal bills would increase by up to 11 per cent.

“We also recognize that energy efficiency is an effective tool that can contribute to an overarching goal of reducing electrical consumption,” Lang added. “This extension gives us time to consider new programs that could enhance energy efficiency and the role of the Yukon Utilities Board.”

The Yukon Development Corporation (YDC) will provide up to \$9 million in funding to support the RSF program from April 1, 2005 to March 31, 2007.

The Rate Stabilization Fund was established in 1998 after the Faro mine closed, to protect customers from substantial electrical rate increases.

The Rate Stabilization Fund subsidizes customer bills so that consumption of the first 1000kWh for residential and 2000kWh for commercial and municipal customers is maintained at nine per cent above rates established in January 1997.

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