



**YUKON ENERGY
CORPORATION**
P.O. Box 5920
WHITEHORSE
YUKON Y1A 6S7
(867) 393-5300
File: 2703-05-05

March 26, 2015

Yukon Utilities Board
P.O. Box 31728
Whitehorse, YT Y1A 6L3

Attention: Bruce McLennan, Chair

Dear Mr. McLennan:

Re: 2014 Annual Filings – Yukon Energy Corporation – Section 25

Please find enclosed the unaudited financial statements for the year ended December 31, 2014 along with related 2014 information required by Section 25 of the Public Utilities Act including:

1. Unaudited 2014 Financial Statements
2. Regulatory Schedules prepared based on unaudited 2014 Financial results:
 - a) Statement of utility income and rate of return;
 - b) Computation of net rate base;
 - c) Working capital calculation;
 - d) Reconciliation of utility income to net earnings;
 - e) Summary or capital assets;
 - f) Cost of capital calculation; and
 - g) List of Directors and Officers

Please be advised that the Audited Financial Statements and final schedules will be submitted after the year-end audit is complete and the statements are approved by the Board of Directors.

Yours truly,

Ed Mollard
Chief Financial Officer

Enclosures

YUKON ENERGY CORPORATION
COMPUTATION OF NET RATE BASE
For The Year Ended December 31
(\$000s)

	2014
Property, Plant and Equipment	555,553
Less: Work in progress (includes deferred cost WIP)	70,578
Accumulated Depreciation	121,119
Reserve for Future Removal and Site Restoration	4,671
Deferred Fire Gain	5,752
Customer Contributions (excluding for WIP)	160,987
Subtotal	192,446
Add: Deferred Study, Relicensing & Regulatory Costs	23,930
Accumulated Disallowed Depreciation	98
Less: Disallowed Assets	200
Reserve for Injuries and Damages	(300)
Net balance at year end	216,574
Mid-year balance	217,122
Add: Allowance for Working Capital	4,397
Mid-Year Rate Case Expense	1,251
Net Rate Base	222,770

**YUKON ENERGY CORPORATION
WORKING CAPITAL CALCULATION
For The Year Ended December 31
(\$000s)**

	2014
Working Capital	
Operation and Maintenance	19,716
Add: Other Taxes	331
Less: Donations and Disallowed expenses	85
Allowable Operating Expense	19,962
Allowance: Operating Expense (27/365 * Allowable Operating Expense)	1,477
Three Year Average Inventory	3,026
GST Impact	(106)
Total Working Capital	4,397

YUKON ENERGY CORPORATION
RECONCILIATION OF UTILITY INCOME TO NET EARNINGS
For The Year Ended December 31
(\$000s)

	2014
	(Unaudited)
Utility Income	11,886
Add Non Utility Income:	
Allowance for Funds Used During Construction	1,188
Other Income	-
Sub-Total	13,074
Less Non Utility Expenses:	
Long Term Interest	4,582
Other Interest	610
Capital Lease Interest	-
Donations	85
Disallowed Expenses	120
Disallowed Depreciation	4
Net Earnings	7,672

YUKON ENERGY CORPORATION
COST OF CAPITAL CALCULATION
For The Year Ended December 31
(%)

2014 (Unaudited)	Capital Ratio	Cost	Return Component
Mid-year Long Term Debt	59.0	3.22	1.897
Mid-year Common Equity	41.0	8.38	3.438
	100.0		5.34

YUKON ENERGY CORPORATION
SUMMARY OF CAPITAL ASSETS
For The Year Ended December 31
(\$000s)

	2014 (Unaudited)
<hr/>	
Capital Assets	
<hr/>	
Land	1,457
Hydroelectric and Diesel Plants	292,429
Transmission	149,947
Distribution	30,387
Buildings, Office and General Equipment	23,564
Transportation	4,549
Construction Work-in-Progress	53,219
<hr/>	
Cost	555,552
Less: Accumulated Depreciation	121,117
<hr/>	
Net Book Value	434,435
Less: Net Contribution for Extensions	160,987
<hr/>	
Net Capital Assets	273,448
<hr/>	

YUKON ENERGY CORPORATION

DIRECTORS AND OFFICERS

DECEMBER 31, 2014

DIRECTORS

Justin Ferbey

Whitehorse, YT

Diane Lister

Marsh Lake, YT

Wendy Shanks, Acting Chair

Whitehorse, YT

Glenn Hart

Whitehorse, YT

Erin Stehelin

Whitehorse, YT

Georgina Leslie

Whitehorse, YT

Clint McCuaig

Haines Junction, YT

OFFICERS

Andrew Hall

President & Chief Executive Officer

Shelley Dixon

Corporate Secretary

Ed Mollard

Chief Financial Officer