

ATCO *Electric*

YUKON

April 29, 2016

Ms. Deana Lemke
Executive Assistant
Yukon Utilities Board
P.O. Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Ms. Lemke:

**Re: The Yukon Electrical Company Limited o/a ATCO Electric Yukon
2015 Annual Filing**

In accordance with Sections 25 and 84 of the Public Utilities Act, please find attached the following information:

- a. Utility Income and Rate of Return
- b. Computation of Net Rate Base
- c. Schedule of Allowance for Working Capital
- d. Reconciliation of Utility Income to Net Earnings
- e. Analysis of Depreciation Reserve
- f. Cost of Capital Calculation
- g. Property, Plant and Equipment
- h. List of Officers and Directors
- i. Statutory Declaration
- j. 2015 Audited Financial Statements

If you have any questions, please contact the undersigned at (780) 733-2489.

Yours truly,

Original Signed By:

James Grattan
Director, Regulatory
Encl.

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
UTILITY INCOME AND RATE OF RETURN
For The Year Ended December 31, 2015
(\$000s)**

Revenue		59,052
	Less: Non-Utility Revenue	305
		58,747
	Costs and Expenses	49,323
	Less: Non Allowables	154
	Non-Utility O&M	303
	Non Utility Income Taxes	(24)
		433
	Add: Depreciation	5,412
	Income Taxes	50
	Amortization of Contribution for Extensions	(1,460)
	Amortization of Deferred Costs	17
		4,018
	UTILITY EXPENSE	52,909
	UTILITY INCOME	5,838
	NET RATE BASE	92,995
	RATE OF RETURN	6.28%

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
COMPUTATION OF NET RATE BASE
For The Year Ended December 31, 2015
(\$000s)

PROPERTY PLANT AND EQUIPMENT		
	BALANCE AT DECEMBER 31, 2015	207,016
Add:	Regulatory Assets	(704)
Less:	Accumulated Depreciation	77,828
	Construction Work-in-Progress	1,561
		<u>79,389</u>
	NET BALANCE AT YEAR END	126,923
Add:	Previous Year's Balance	122,138
	TOTAL	<u>249,061</u>
	MID-YEAR BALANCE	124,530
Add:	Allowance for Working Capital	3,375
Less:	Mid-Year Contribution for Extensions	35,376
Add:	Mid-year Deferred Charges/Credits	466
		<u>92,995</u>
	NET RATE BASE	<u>92,995</u>

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
SCHEDULE OF ALLOWANCE FOR WORKING CAPITAL
For The Year Ended December 31, 2015
(\$000s)

Operations and Maintenance	49,067
Add: Other Taxes	256
Less: Non-Allowables and Non-Utility O&M	457
Net O&M	<u>48,866</u>
O&M Lag Days	7
Operating Expenses Working Capital	<u>937</u>
Tax installments	-
Income Tax Installment Lag Days	22
Tax Installments Working Capital	<u>-</u>
Income taxes receivable (payable)	-
Tax Receivable Lag Days	204
Taxes Payable Working Capital	<u>-</u>
Inventory (Three year average)	<u>2,147</u>
GST Impact on working capital	<u>134</u>
Return - Long Term Debt	3,095
Combined Long Term Debt Lag Days	(52)
Long Term Debt Working Capital	<u>(441)</u>
Return - 50% of Common Equity	1,372
Dividend Lag Days	(4)
Common Equity (Dividend) Working Capital	<u>(15)</u>
Return - 50% of Common Equity	1,372
Depreciation Lag Days	42
Common Equity (Retained Earnings) Working Capital	<u>158</u>
Net Depreciation	3,951
Depreciation Lag Days	42
Depreciation Working Capital	<u>455</u>
TOTAL WORKING CAPITAL	<u>3,375</u>

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
RECONCILIATION OF UTILITY INCOME TO NET EARNINGS
For The Year Ended December 31, 2015
(\$000s)**

UTILITY INCOME	5,838
Add: Non-Utility Income:	
Allowance for Funds Used During Construction	84
Short Term Interest from Parent	133
MDL Fair Value Adjustment	44
Non-Regulated Revenues	305
	<hr/> 566
Sub-Total	6,404
Less: Non-Utility Expenses:	
Interest to Parent	3,114
Non Regulated Expenses	340
Other Interest	4
Non Allowables	154
	<hr/> 2,792
Sub-Total	2,792
Add: Income Tax Adjustment:	
Tax on Net Non-Utility Income	24
NET EARNINGS	<hr/> <hr/> 2,816

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
ANALYSIS OF DEPRECIATION RESERVE
For The Year Ended December 31, 2015
(\$000s)

BALANCE - DECEMBER 31, 2014		73,399
Add:	Depreciation - Operating Expense	5,412
	Depreciation - Other	101
		<u>78,912</u>
Less:	Retirements	1,040
	Other	44
		<u>77,828</u>
BALANCE - DECEMBER 31, 2015		<u>77,828</u>

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
COST OF CAPITAL CALCULATION
For The Year Ended December 31, 2015
(%)**

	<u>CAPITAL RATIO</u>	<u>COST</u>	<u>RETURN COMPONENT</u>
LONG TERM DEBT	59.69	5.58	3.33
PREFERRED SHARES	-	-	-
COMMON SHARES AND RETAINED EARNINGS	39.84	7.40	2.95
NO COST CAPITAL	0.47		
	<u>100.0</u>		<u>6.28</u>

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
PROPERTY, PLANT & EQUIPMENT - DECEMBER 31, 2015**

Function	Minor Account	Minor Description	Sub Category	Subcategory Description	01-Jan-14	Net Additions	Retirements	31-Dec-14
Corporate	48000	Land	48000	Land	321,496	73	-	321,569
	48200	Buildings and Structures	48100	Land Rights	14,231	-	-	14,231
	48200	Buildings and Structures	48200	Buildings and Structures	4,981,456	48,015	-	5,029,470
	48300	Office Furniture	48300	Office Furniture	231,850	4,105	-	235,955
	48320	Computer Equipment	48320	Computer Equipment	128,101	10,107	-	138,208
	48401	Vehicles Category 1	48410	Cars	44,650	-	(845)	43,805
	48401	Vehicles Category 1	48420	Light Trucks and Pole Trailers	359,243	-	(24,239)	335,004
	48401	Vehicles Category 1	48430	Pole Trailers > 10,000 lbs	181,782	-	-	181,782
	48401	Vehicles Category 1	48440	3/4 to 2 Ton Trucks	1,852,455	328,574	(135,289)	2,045,739
	48401	Vehicles Category 1	48450	Trucks > 2 Tons < 3 Tons	271,539	-	-	271,539
	48401	Vehicles Category 1	48460	Pole Cats	183,604	-	-	183,604
	48401	Vehicles Category 1	48470	Trucks > 3 Tons	450,605	747,036	-	1,197,641
	48401	Vehicles Category 1	48480	Tractors	187,886	371	-	188,256
	48401	Vehicles Category 1	48490	Foremosts (Oil Processing Units)	7,690	7,226	-	14,916
	48500	Loose Tools	48500	Loose Tools	1,035,070	112,105	-	1,147,175
	48600	Communication Equipment	48600	Communication Equipment	1,058,531	148,553	-	1,207,084
	48810	Houses Land	48810	Houses Land	604	-	(604)	-
	48820	Houses	48820	Houses	561,705	40,667	(241,835)	360,537
	49100	Franchise and Consent	49100	Franchise and Consent	1,493	-	-	1,493
	49300	Demand Side Management	49300	Demand Side Management	389,000	-	-	389,000
	49550	Fish Lake 25 Year Licence	49550	Fish Lake 25 Year Licence	2,312,647	-	-	2,312,647
	49602	Software - ATCOCIS	49602	Software - NEWCIS(ATCOCIS)	1,747,630	-	-	1,747,630
	49605	Software - Oracle	49605	Software - Oracle	344,386	-	-	344,386
	49628	Software - Oracle HRXcellence	49628	Software - Oracle HRXcellence	357,820	-	-	357,820
	49652	Software - Windows 7 Upgrade	49652	Software - Windows 7 Upgrade	111,224	-	-	111,224
	49798	Software - Website Upgrades	49798	Software - Website Upgrades	-	-	-	-
Total for Corporate					17,136,696	1,446,832	(402,813)	18,180,715
Distribution	47000	Land	47000	Land	23,373	-	-	23,373
	47100	Land Rights	47100	Land Rights	1,449,910	128,908	-	1,578,818
	47300	Poles and Fixtures	47300	Poles and Fixtures	39,905,918	1,672,761	(159,814)	41,418,865
	47400	Overhead Conductor	47400	Overhead Conductor	24,433,082	1,107,969	(13,963)	25,527,087
	47410	Overhead Services	47410	Overhead Services	3,120,682	47,984	-	3,168,666
	47500	Underground Conduit	47500	Underground Conduit	24,665,714	881,349	(17,721)	25,529,342
	47510	Underground Services	47510	Underground Services	3,252,434	5,705	-	3,258,140
	47610	Meters	47610	Meters	1,449,262	248,438	(162,286)	1,535,413
	47610	Meters	47620	Metering Equipment	916,891	28,756	-	945,647
	47630	AMR Meters	47612	AMR Meters	94,159	5,936	-	100,096
	47710	Distribution Substation	47710	Non-Fenced Distr Sub Equip	2,663,487	65,831	-	2,729,318
	47710	Distribution Substation	47711	Non-Fenced Distr Sub Transformers	-	303,188	-	303,188
	47710	Distribution Substation	47720	Distr Substation Buildings	477,067	-	-	477,067
	47710	Distribution Substation	47730	Distr Substation Fences	32,718	-	-	32,718
	47710	Distribution Substation	47740	Distr Fenced Substation Equip	597,094	-	-	597,094
	47710	Distribution Substation	47741	Distr Fenced Substation Transformers	736,626	-	-	736,626
	47810	Street Lights	47810	Street Lights	10,119,018	285,242	(12,985)	10,391,276
	47820	Sentinel Lights	47820	Sentinel Lights	284,738	-	-	284,738
	47910	Transformers	47910	Line Transformers	28,214,578	1,687,190	(15,593)	29,886,175
	47910	Transformers	47910INV	Inventory Reclass Transformers	859,362	(34,615)	-	824,747
Total for Distribution					143,296,114	6,434,643	(382,363)	149,348,394
Generation	42000	Hydro Land	42000	Hydro Land	20,912	-	-	20,912
	42500	Hydro Equipment	42200	Hydro Structures	396,121	1,902,802	-	2,298,924
	42500	Hydro Equipment	42300	Hydro Resv, Dams & Waterways	3,704,572	47,106	-	3,751,678
	42500	Hydro Equipment	42500	Hydro Generators	3,362,693	21,820	-	3,384,513
	42500	Hydro Equipment	42600	Hydro Accessory Electrical Equip	151,242	-	-	151,242
	42500	Hydro Equipment	42700	Hydro Misc Equip	40,708	27,379	-	68,087
	44000	Int Combust Land	44000	Int Combust Land	7,130	-	-	7,130
	44200	Int Combust Structures	44200	Int Combust Structures	7,314,533	(1,657,799)	-	5,656,734
	44400	Int Combust Fuel Holders	44400	Int Combust Fuel Holders	3,138,140	-	-	3,138,140
	44500	Int Combust Generators	44500	Int Combust Generators	11,697,420	460,461	(205,880)	11,952,001
	44600	Int Combust Access Elect Equip	44600	Int Combust Access Elect Equip	3,274,031	1,077,504	-	4,351,536
	44700	Int Combust Misc Equip	44700	Int Combust Misc Equip	842,338	490,391	-	1,332,730
Total for Generation					33,949,842	2,369,664	(205,880)	36,113,626
Transmission	45000	Land	45000	Land	11,551	-	(49,419)	(37,868)
	45700	Transmission Substation	45710	Substation Misc Equip & Install	1,144,289	-	-	1,144,289
Total for Transmission					1,155,840	-	(49,419)	1,106,421
Grand Total					195,538,492	10,251,138	(1,040,474)	204,749,156

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
#100, 1100 - First Avenue, Whitehorse, YT Y1A 3T4**

DIRECTORS

Brian R. Bale
Loraine M. Charlton
Siegfried W. Kiefer
James W. Simpson
Nancy C. Southern

OFFICERS

Siegfried W. Kiefer	Chair & Chief Operating Officer
Wayne K. Stensby	President
Dennis A. DeChamplain	Senior Financial Officer
Barry L. Goy	Senior Vice President
Douglas F. Tenney	Vice President, Northern Development
Carol Gear	Secretary
Patricia A. Osoko	Assistant Secretary

STATUTORY DECLARATION

IN THE MATTER OF A REPORT REQUIRED BY
SECTION 84 OF THE YUKON PUBLIC UTILITIES ACT
BY D.A. DECHAMPLAIN, SENIOR FINANCIAL OFFICER,
AND D.F. TENNEY, VICE PRESIDENT, NORTHERN DEVELOPMENT,
OF
THE YUKON ELECTRICAL COMPANY LIMITED O/A ATCO ELECTRIC YUKON
(the "Corporation")
(in thousands of dollars)

WE SOLEMNLY DECLARE THAT:

1. For 2015, the Net Rate Base for the Corporation was \$92,995.
2. As of December 31, 2015, the total capitalization of the Corporation was \$94,189 with a mid-year weighted average cost of 6.28%.
3. The revenues for the Corporation for the period from January 1, 2015 to December 31, 2015 were as follows:

Retail Sales	\$ 57,440
Sales to Other Utilities	36
Other Revenue	<u>1,271</u>
TOTAL	<u>\$ 58,747</u>

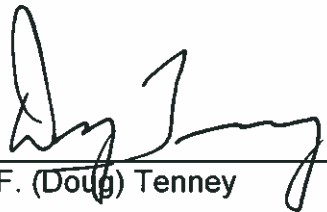
4. Dividends paid by the Corporation for the period January 1, 2015 to December 31, 2015 were \$2,400.
5. The operating and maintenance costs of the Corporation for the period from January 1, 2015 to December 31, 2015 were \$11,872.

6. The Corporation estimates the following costs for new works, extensions and improvements during the current year:


Distribution Projects	\$ 7,659
General Property & Equipment	759
Generating Plants	<u>6,630</u>
TOTAL	<u>\$ 15,048</u>

WE MAKE THIS SOLEMN DECLARATION CONSCIENTIOUSLY BELIEVING IT TO BE TRUE AND KNOWING THAT IT IS OF THE SAME FORCE AND EFFECT AS IF MADE UNDER OATH.

Severally declared before me)
 at the City of Calgary)
 in the Province of Alberta)
 this 29th day of April, 2016.)



 D. F. (Doug) Tenney

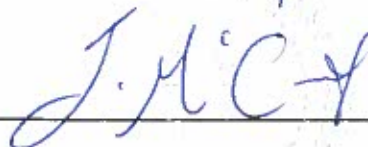


J. Jason McCormick
 Barrister & Solicitor

Severally declared before me)
 at the City of Calgary)
 in the Province of Alberta)
 this 29th day of April, 2016.)



 D.A. (Dennis) DeChamplain



J. Jason McCormick
 Barrister & Solicitor