

YUKON ENERGY CORPORATION
UTILITY INCOME AND RATE OF RETURN
For The Year Ended December 31
(\$000s)

	2018
Utility Revenue	
Utility Electric Sales	52,141
Other Revenue	(82)
Total	52,059
Utility Expense	
Labour	12,083
Non-Labour	
Operations and Maintenance	6,408
Administration	2,810
Insurance	1,046
Donations	99
Fuel	5,295
Purchased Power	53
Total Operating and Maintenance Costs	27,794
Depreciation & Amortization	
Fixed Asset Depreciation	12,185
Amortization of Deferred Costs (incl. RFID)	5,499
Amortization of Contribution for Extensions	(5,635)
Amortization of Fire Insurance Gain	(262)
Other Taxes	671
Total Expenses	40,252
Less: Donations	99
Disallowed Depreciation	204
Total	39,949
Utility (Regulatory) Income	12,110
Net Rate Base	292,088
Rate Of Return on Capital	4.15%
<i>Rate of Return on Equity</i>	6.25%
<i>Cost of Debt</i>	2.58%

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

	2018
Property, Plant and Equipment	615,387
Less: Work in progress (includes deferred cost WIP)	23,618
Accumulated Depreciation	160,539
Reserve for Future Removal and Site Restoration	3,963
Deferred Fire Gain	4,704
Customer Contributions (excluding for WIP)	164,387
Subtotal	258,175
Add: Deferred Study, Relicensing & Regulatory Costs	29,703
Accumulated Disallowed Depreciation	553
Less: Disallowed Assets	2,746
Reserve for Injuries and Damages	(1,419)
Net balance at year end	287,103
Mid-year balance	282,465
Add: Allowance for Working Capital	5,617
Mid-Year Rate Case Expense	4,006
Net Rate Base	292,088

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

	2018
Working Capital	
Operation and Maintenance	27,794
Add: Other Taxes	671
Less: Donations and Disallowed expenses	99
Allowable Operating Expense	28,366
Allowance: Operating Expense (27/365 * Allowable Operating Expense)	2,098
Three Year Average Inventory	3,697
GST Impact	(178)
Total Working Capital	5,617

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

	2018
Utility Income	12,110
Add Non Utility Income:	
Allowance for Funds Used During Construction	539
Other Income	-
Sub-Total	12,649
Less Non Utility Expenses:	
Long Term Interest	4,597
Other Interest	1,180
Capital Lease Interest	-
Donations	99
Disallowed Expenses	630
Disallowed Depreciation	204
Net Earnings	5,939

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

2018

Capital Assets

Land	1,719
Hydroelectric, Diesel and LNG Plants	357,175
Transmission	192,434
Distribution	17,911
Buildings, Office and General Equipment	36,002
Transportation	5,655
Construction Work-in-Progress	4,491
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Cost	615,387
Less: Accumulated Depreciation	160,539
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Net Book Value	454,848
Less: Net Contribution for Extensions	164,387
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Net Capital Assets	290,460

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

2018	Capital Ratio	Cost	Return Component
Mid-year Long Term Debt	57.4	2.58	1.484
Mid-year Common Equity	42.6	6.25	2.662
	100.0		4.15