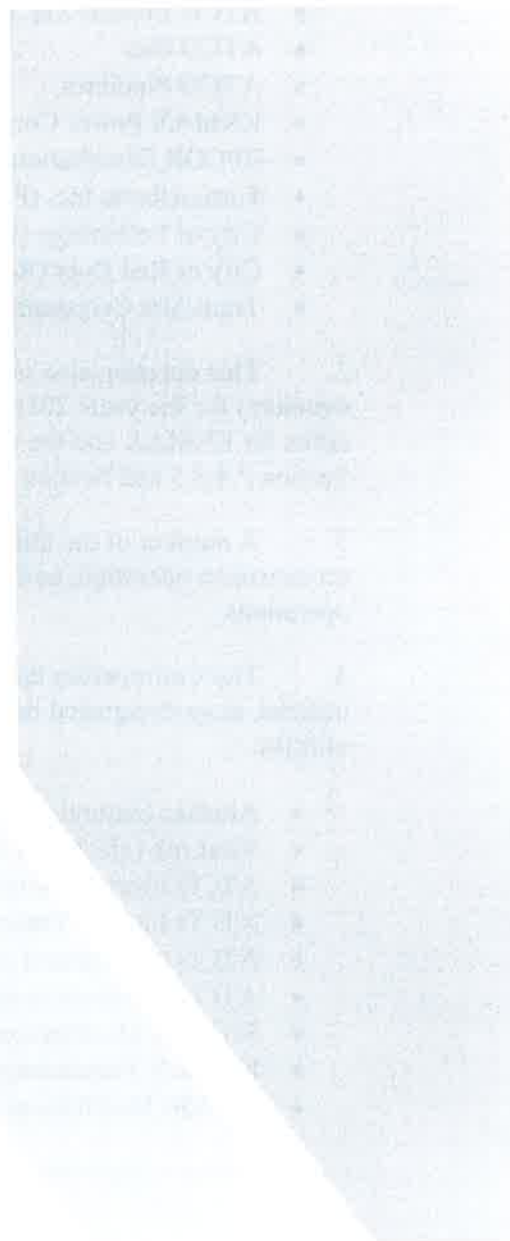




YUKON UTILITIES BOARD		
EXHIBIT		C2-7
DAY	ENTERED BY	DATE
	UCA.	Nov 11/16

## 2016 Generic Cost of Capital

October 7, 2016



**2016 Generic Cost of Capital**

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**1 Introduction**

1. This decision sets out the allowed return on equity (ROE) for the years 2016 and 2017 on a final basis, with the exception of the allowed ROE for the transmission operations of ATCO Electric Ltd., as explained in Section 8. The allowed ROE applies uniformly to the utilities listed below.

- AltaGas Utilities Inc. (AltaGas)
- AltaLink Management Ltd. (AltaLink)
- ATCO Electric Ltd. (ATCO Electric)
- ATCO Gas
- ATCO Pipelines
- ENMAX Power Corporation (ENMAX)
- EPCOR Distribution & Transmission Inc. (EPCOR)
- FortisAlberta Inc. (FortisAlberta)
- City of Lethbridge (Lethbridge)
- City of Red Deer (Red Deer)
- TransAlta Corporation (TransAlta)

2. This decision also sets out the approved deemed equity ratios (also referred to as capital structure) for the years 2016 and 2017 on a final basis, with the exception of the deemed equity ratios for ENMAX and the transmission operations of ATCO Electric Ltd., as explained in Section 7.4.3.5 and Section 8, respectively.

3. A number of the utilities listed above have both a distribution operation and a transmission operation, and there are separate approved deemed equity ratios for each of these operations.

4. The Commission has identified the operations of these utilities separately, and the utilities, as so designated below are referred to collectively in this decision as the affected utilities:

- AltaGas (natural gas distribution)
- AltaLink (electricity transmission)
- ATCO Electric Distribution (electricity distribution)
- ATCO Electric Transmission (electricity transmission)
- ATCO Gas (natural gas distribution)
- ATCO Pipelines (natural gas transmission)
- ENMAX Distribution (electricity distribution)
- ENMAX Transmission (electricity transmission)
- EPCOR Distribution (electricity distribution)