

YUKON ENERGY CORPORATION

Board Orders 2013-01 and 2013-03 – Revised Compliance Filing

2012/ 2013 General Rate Application

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1.0 OVERVIEW

On April 27, 2012, Yukon Energy filed with the Yukon Utilities Board (“the Board” or “YUB”) its General Rate Application (“the Application”) for 2012 and 2013. By Order 2012-03, the Board established a process for review of that Application, and following that process on March 25, 2013, the Board issued Order 2013-01, approving the 2012 and 2013 revenue requirements for Yukon Energy with the changes directed in the Reasons for Decision, and directing Yukon Energy to provide a compliance filing to the Board within 30 days in accordance with the directions set out in the Reasons for Decision (Appendix A attached to Order 2013-01).

YEC filed a GRA Compliance Filing on May 1, 2013. The Board issued Order 2013-03 on June 17, 2013 rejecting YEC’s Compliance Filing as filed and, with the changes set out in the Reasons for Decision, the Board directed YEC to refile its Compliance Filing within 10 days from the date of Order.

This refiling of the Compliance Filing sets out for approval of the Board the Yukon Energy revised filings as required by Order 2013-01 and Order 2013-03, along with all related explanations¹. References to particular directions reference the paragraph number provided in the Board Order 2013-01 Reasons for Decision.

This filing includes the following sections:

- **Section 1** – Overview of key changes based on the Board’s directives, summary impact on proposed rate increase, and requested approvals.
- **Section 2** – 2012 and 2013 Revenue Requirements (summary of adjustments required by Order 2013-01 and Order 2013-03 for 2012 and for 2013).
- **Section 3** – Tab 7 Revised Schedules (revised Tab 7 schedules from the Application with adjustments as required by Order 2013-01 and 2013-03).
- **Section 4** – Summary Table (summary of the specific Directives from the Reasons for Decision that are addressed in this filing, and how these Directives are addressed).

1.1 OVERVIEW OF KEY CHANGES BASED ON BOARD’S DIRECTIVES

Section 1.1 provides an overview of changes to the 2012/2013 General Rate Application that result from Board Order 2013-01 and Board Order 2013-03. Table 1.1 below provides a summary of the changes to the revenue requirement and rates at existing rates. Changes for each test year are separately reviewed in Section 2 of this Compliance Filing.

¹ As required, the filing addresses only those directions of the Board in its Reasons for Decision pertaining to Yukon Energy’s 2012 and 2013 revenue requirements (the final section of this filing provides a summary table of the specific directives addressed).

**Table 1.1:
Summary of Changes to the Revenue Requirement and Revenues at Existing Rates**

	Original Filing		Compliance Filing		Difference		Notes
	2012	2013	2012	2013	2012	2013	
Revenue Requirement							
Fuel and Purchased Power	2,203	3,113	2,316	3,200	113	87	Updated load forecast, 100% LTA
Non Fuel O&M -Labour	9,185	9,378	9,155	9,348	- 30	- 30	YDC allocation (paragraph 72)
Non Fuel O&M -Other	8,311	9,008	8,055	8,763	- 255	- 244	2012 - \$201k for communication, \$49k DSM admin, \$5k for RFID; 2013 - \$190k for communication, \$49k DSM admin, \$5k for RFID;
Depreciation and Amortization	7,813	10,012	7,927	8,604	114	- 1,409	Minto diesel&SCADA, and other deferred cost adjustments
Return on Rate Base	12,345	14,130	11,396	12,348	- 948	- 1,782	Lower Rate base, lower ROE and cost of debt
A Total Revenue Requirement	39,857	45,641	38,850	42,263	- 1,007	- 3,378	
Revenues at Existing Rates							
Residential	1,803	1,815	1,803	1,815	-	-	
Commercial	3,582	3,735	3,582	3,735	-	-	
Industrial	6,179	7,383	4,955	4,787	- 1,224	- 2,596	
					- 1,024	- 1,816	Minto load reduction
					- 230	- 172	Alexco demand correction
					30		Demand revenue forecast correction
					-	608	WHCT revenues
Streetlight and Sentinel Light	92	92	92	92	-	-	
Wholesale	24,562	24,747	24,562	25,487	-	740	
						421	Increased wholesale re: WHCT load (4.77 + 6.2% losses = 5.07 GW.h)
						319	Increased wholesale re: Fish Lake (3.85 GW.h)
Other Revenue	184	184	184	184	-	-	
B Total revenues at existing rates	36,402	37,956	35,178	36,100	- 1,224	- 1,856	
C=A-B Required GRA rate increase	3,455	7,685	3,672	6,163	217	- 1,522	

The following provides an overview of the key changes to the Application based on the Board's directions provided in the Reason's for Decision to Order 2013-01:

1. **Sales Forecast** – Overall reduction of forecast sales and revenues at existing rates of \$1.224 million in 2012 and \$1.856 million in 2013 to address the following directives related to wholesale sales and major industrial sales:
 - a. **Wholesales:** \$0.740 million increase in wholesale sales in 2013 to address 3.85 GWh² added sales due to adjustment to Fish Lake Unit #1 in service date (shift from January 1, 2013 to December 2, 2013), and 5.07 GWh³ added wholesale sales to YECL for WHCT load to be served by YECL (Board Order 2013-01, paragraph 35 and paragraph 49).
 - b. **Major Industrial:** Decrease in firm industrial sales in 2012 of \$1.224 million and in 2013 of \$2.596 million.
 - The majority of this reduction in each test year relates to direction to update major industrial sales forecast to account for the change to 2012 and 2013 Minto sales forecasts referred to in the hearing⁴ (Board Order 2013-01, paragraph 39).
 - The 2012 industrial forecast was accordingly reduced by 9.5 GWh and the 2013 industrial forecast was reduced by 17 GWh to account for the change in Minto load forecast. There is also a reduction in industrial load and related revenues due to direction to remove WHCT as an industrial customer served by Yukon Energy (this has increased Wholesale Sales forecast and revenues as noted above), reduced industrial load by 4.77 GWh and reduced industrial revenues by \$0.608 million in 2013).
 - Other adjustments to industrial sales revenues relate to an identified Alexco peak demand correction⁵, which reduces 2012 revenues by \$0.230 million and 2013 industrial revenues by \$0.172 million and a demand revenue forecast correction⁶ which increases industrial revenues in 2012 by \$0.030 million.
 - c. **Secondary sales:** Board Order 2013-01 denied YEC's request to credit secondary sales revenues directly to the DCF, and directed YEC to forecast, manage and account for secondary sales as part of its energy sales (paragraph 52).
 - The Application (Tab 2, page 2-3) forecast no secondary sales to be available in the test years, noting ongoing non-industrial load growth and connection of new

² The 2012/2013 GRA wholesale forecast assumed Fish Lake Unit #1 in service January 2013. Consequently 4.35 GWh for Unit#1 of Fish Lake Plant was added back to wholesales forecast in 2012. Following release of Order 2013-01, YEC has received an update from YECL [dated March 23, 2013] noting that the Fish Lake Unit #1 is now estimated to be in service December 2, 2013 with anticipated generation in 2013 of 500,000 kWh. This updated information will increase forecast wholesale sales by 3.85 GWh for 2013 [4.35 GWh minus 0.5 GWh forecast generation from Fish Lake].

³ Forecast 4.77 GWh for added wholesales from July 1 to December 1, 2013, with assumed average 6.2% YECL losses.

⁴ During the oral hearing YEC noted that more up to date forecast for Minto mine indicated a material reduction in forecast load for its customer during 2012 and 2013 and that the up to date forecast was more accurate than the GRA forecast [transcript pages 300-301, 652 and Undertaking #2].

⁵ UCG-YEC-1-20(b) provided actual (2010-2011) and forecast (2012-2013) measured and billed demand for Alexco mine, and noted that in the GRA filing YEC erroneously used a 2012 and 2013 peak billing demand for Alexco of 3500 kVA for the purpose of forecasting revenues at existing rates. In Final Argument YEC noted that it would address this correction in its Compliance Filing.

⁶ A total industrial demand revenue forecast error correction (increase of \$0.03 million at existing rates) for January 2012 is included in the Compliance Filing.

industrial loads to the grid had reduced surplus hydro available for secondary sales, and that since 2010 secondary sales had been interrupted on a sustained basis.

- With forecast hydro and diesel energy requirements to be assumed at 100% of long term average hydro generation for the forecast load in the compliance filing YEC continues to forecast zero secondary sales in each test year.
- Board Order 2013-03 approved secondary sales rates effective January 1, 2012 of 8.7 cents/kWh for retail secondary sales and 7.6 cents/kWh for wholesale secondary sales.

2. **Generation and Forecast Diesel** – Yukon Energy was directed to reflect 100% long term average (LTA) hydro generation in calculating test year diesel generation requirements [as opposed to 66% LTA hydro in 2012 and 59% LTA in 2013 as proposed in the Application]. Table 1.1-1 provided in Appendix 1.1 summarizes the changes in LTA hydro and diesel generation in the Compliance Filing compared to the 2012/2013 GRA; in summary:

- a. Forecast loads included in the Application at 100% LTA would have resulted in 11.5 GWh of diesel generation in 2012 and 18.2 GWh of diesel generation in 2013 (see Tab 2, page 2-12). This would have resulted in diesel expense at 100% LTA hydro generation of \$3.3 million in 2012 and \$5.2 million in 2013. At GRA forecast generation levels, increasing diesel generation requirements from 59% and 66% LTA to 100% LTA would increase forecast diesel fuel costs by approximately \$1.1 million in 2012 and \$2.1 million in 2013 (see GRA Tab 2, Footnote 26⁷).
- b. However, the long term average diesel generation requirements and fuel cost will be impacted by the Board directed adjustments to the wholesale and firm industrial sales forecasts noted above. This results in a reduction to forecast diesel fuel costs (compared to the GRA forecasts at 100% LTA) by approximately 31% in 2012 and 39% in 2013.
 - With forecast changes related to the reduction in Minto load and adjustments to the wholesale sales forecast related to Fish Lake Unit #1 later in service date and added YECL losses related to the WHCT load, the YEC generation load forecast is reduced by 10.4 GWh in 2012 and 14.0 GWh in 2013 (compared to GRA generation forecasts).
 - Forecast YEC diesel generation based on the reduced generation forecast resulting from implementation of Order 2013-01 is 7.9 GWh in 2012 and 11.0 GWh in 2013. This is only slightly higher than the forecast diesel generation included in the 2012/2013 GRA Application at 66% LTA for 2012 and 59% LTA for 2013 (0.4 GWh higher in 2012 and 0.3 GWh higher in 2013).

⁷ Footnote 26 notes that forecast diesel generation expense at 100% LTA would be \$3.3 million in 2012 and \$5.2 million in 2013 compared to \$2.126 million in 2012 at 66% LTA and \$3.073 million in 2013 at 59% LTA.

The overall impacts of these directed changes on revenue requirement are as follows:

- c. **Fuel Costs**⁸ – Increase in diesel fuel costs of \$0.113 million in 2012 and \$0.087million in 2013 to address Board directive to base hydro and diesel energy generation requirements on 100% long-term average (LTA) hydro generation for the forecast load as adjusted (Board Order 2013-01, paragraph 60).
 - d. **Mayo A Runner Improvement** – Yukon Energy was directed to take into consideration in its compliance filing any adjustments needed (if any) to reflect the effect of the Mayo A runner improvements. It is confirmed that effects on generation related to the Mayo A Runner Improvement are considered in the modelling to date.
3. **Non-Fuel O&M** – Overall reduction of forecast O&M expense in 2012 of \$0.285 million and in 2013 of \$0.274 million to address the following Board Directives:
- a. **Labour Expense** – Reduction in labour expense in each test year of \$0.030 million to address a correction identified during the oral hearing for YDC allocation, i.e., increasing the FTE allocation to YDC from 0.55 to 0.71 (Board Order 2013-01, paragraph 72). The Board directed YEC to remove all labour costs attributable to DSM and the ECD from the revenue requirement for the test years and to track and defer these costs until the Board approves a final DSM policy (Board Order 2013-01, paragraph 85). DSM related to salaries and wages were forecast in each test year; however, these costs were budgeted in the Application as capital-related costs and not O&M costs. Consequently, this directive does not impact O&M labour costs included in the revenue requirement.
 - b. **Non-Fuel Other Expense** – Reduction in each test year in non-fuel other O&M to address directed reductions related to Communication expense (Board Order 2013-01, paragraph 134⁹); DSM Admin (paragraph 367 directs that these costs go into a deferral account¹⁰) and annual appropriation to the RFID (Board Order 2013-01, paragraph 168¹¹).
4. **Return on Rate Base and Depreciation and Amortization expense** – Order 2013-01 reduces the forecast cost of new debt as well as the allowed return on equity. The overall impact on return is affected by other changes related to forecast capital costs and deferred costs.
- a. Reduction of return on rate base reflects lower mid-year net rate base and lower allowed return on equity (ROE), i.e., 52 basis point reduction in return on equity (from 8.77% in Application to 8.25% in Order 2013-01) and long-term debt interest costs.
 - b. Decrease in the interest cost of long-term new debt from 5% assumed in the Application to 3.97% in 2012 and 3.58% in 2013 to reflect updated forecast of LT Canada bonds plus 120 basis points per past GRAs (Board Order 2013-01, paragraph 194). The Order

⁸ Order 2013-01 (paragraph 65) notes Dawson diesel at \$1.168 per litre (fuel price for Dawson provided in Tab 3, page 3-5, line 9 of the GRA application). The response to CW-YEC-1-15 indicated that this was a typographical error, that the correct number was \$1.1168 and that this correction had no effect on GRA numbers.

⁹ Reduction of \$0.201 million in 2012 and reduction of \$0.190 million in 2013 to comply with direction that communications expense remain at 2009 approved levels of \$0.105 million.

¹⁰ Reduction of \$0.049 million in each test year.

¹¹ \$0.005 million reduction to annual appropriation to the RFID in each test year reducing annual appropriation from \$0.195 million to \$0.190 million.

did not specifically address interest used for 2011 long-term debt, however, this expense will carry forward to each test year. Consequently, to address this concern and to be consistent with the direction provided in paragraph 194 of the Order, the Compliance Filing also adjusts the 2011 long-term debt interest to reflect actual 3.69% interest rate rather than the 5% used in the Application.

- c. The Order rejects the new planning cost accounting policy (Board Order 2013-01, paragraph 405), however, the Order provides specific comment on each major deferred cost project, as well as general direction on projects with deferred costs between \$100,000 and \$1 million, and provides specific direction regarding which costs were to remain in WIP, which costs were disallowed as not prudently incurred and which expenses were accepted "as requested by YEC".
- d. Implementation of Board Order 2013-01 and 2013-03 directions related to capital and deferred cost projects result in a \$6.553 million decrease in forecast YEC mid-year net rate base costs in 2012 and \$15.053 million decrease in 2013 (relative to the Application forecasts). Related changes in test year depreciation and amortization approximate an increase of \$0.114 million in 2012 and a decrease of \$1.409 million in 2013. Tables 1.1-2 and 1.1-3 in Appendix 1.1 provides a detailed assessment of impacts on rate base and revenue requirement resulting from Order 2013-01 and Order 2013-03.

Per the specific directions provided in Order 2013-01 and Order 2013-03:

- Marsh Lake Storage Project [\$4.03 million to end of 2012¹²] and Gladstone Diversion Project [\$3.89 million to end of 2012¹³] remain in WIP as viable or potentially viable projects, reducing mid-year net rate base in 2013 (Board Order 2013-01, paragraphs 337 and 344). Keeping these projects in WIP will reduce mid-year rate base by \$3.962 million in 2012 and \$8.178 million in 2013.
- All DSM deferred costs remain in WIP, reducing mid-year net rate base (rate case costs) in 2013 (paragraph 367). The Board directed that until a joint YEC and YECL DSM plan was filed as directed in Order 2009-8, DSM-related O&M costs were to be held in a deferral account and DSM-related capital costs were to be held in WIP. The Board also deferred its findings and directions regarding YEC's proposed new DSM accounting policy until YEC and YECL have jointly filed a DSM plan as directed. The Board directives will reduce mid-year rate case costs by \$0.824 million in 2012 and \$2.095 million in 2013.
- Disallowance of Minto diesel SCADA capital costs [\$0.491 million]¹⁴ and District Heating deferred costs [\$0.500 million to be incurred in 2013], reduce mid-year

¹² Per the Application, Tab 5, spending to end of 2011 of \$3.23 million with forecast spending in 2012 of \$0.800 million; amounts deferred to end of 2012 were forecast to be closed and amortized over 10 years starting in 2013. Spending in 2013 to go into rate base was forecast to be \$0.800 million.

¹³ Per the Application, Tab 5, spending to end of 2011 of \$3.69 million with forecast spending in 2012 of \$0.200 million; in Application, amounts deferred to the end of 2012 were forecast to be closed and amortized over 10 years starting in 2013. Spending in 2013 to go into rate base was forecast to be \$0.500 million.

¹⁴ To avoid confusion in future regulatory filings, the Compliance Filing uses YEC's actual costs as recorded for this project (i.e., \$491,142.60 as at the end of 2011 with amortization at \$12,279/year) rather than the \$0.49 million provided as a forecast in the Application.

net rate base by \$0.485 million in 2012 and \$0.723 million in 2013 (paragraphs 324 and 379).

- All costs for 2012 and 2013 for deferred cost projects between \$0.1 million and \$1 million remain in WIP for future prudence review (paragraph 398). This reduces mid-year net rate base before Rate Case costs by \$1.000 million in 2012 and \$3.369 million in 2013¹⁵. Related changes to Resource Plan rate case cost (including starting amortization in 2012 rather than in 2013 as in the Application) reduce mid-year net rate base (Rate Case costs) by \$0.176 million in 2012 and \$0.329 million in 2013.
 - All costs prior to 2012 for deferred cost projects between \$0.1 million and \$1 million are determined to be prudent and are to be capitalized, affecting a deferred overhaul project and Resource Plan costs (Board Order 2013-01, paragraph 398). This direction adds \$0.072 million to mid-year rate base in 2012 and reduces \$0.036 million from mid year rate base in 2013.
 - Deferred Cost Projects less than \$0.100 million were addressed in the Compliance Filing on a consistent basis with Projects between \$0.100 million and \$ 1 million, reducing mid-year rate base before rate case costs by \$0.141 million in 2012 and by \$0.308 million in 2013.
 - Western Copper Aerial Photo Mapping¹⁶ (\$30,233) deferred costs remain in WIP for future recovery from that customer, reducing mid-year net rate base by \$0.027 million in 2012 and by \$0.021 million in 2013 (paragraph 301).
 - GRA Phase 1 Revenue Requirement Review – the Order notes YEC’s costs were considered to be reasonable. Yukon Energy committed in its Reply Argument to maintain a hearing cost reserve account going forward (Board Order 2013-01, paragraph 392).
- e. As directed in Order 2013-03, 10-year amortization of deferred project costs for Atlin, Geothermal and Waste-to-Energy is retained as proposed in the Application (each of which are to be closed out and amortized as approved costs).

5. **Rates and Stabilization Measures** – Order 2013-01 addressed the following three rate and stabilization measures included in the Application (none of these affect the revenue requirement or resulting rate riders addressed in this Compliance Filing):

- a. **Secondary Sales Rate** – YEC is directed to continue applying variances in secondary sales revenues due to quarterly rate adjustments to the Rider F account (Board Order 2013-01, paragraph 260). Board Order 2013-03 approved secondary sales rates effective January 1, 2012 of 8.7 cents/kWh for retail secondary sales and 7.6 cents/kWh for wholesale secondary sales.
- b. **Wholesale Rate Schedule 42 & proposed ERA changes** – As regards Rate Schedule 42 and the ERA-related changes in the Application, YEC is directed to work with YECL, and the two utilities are to provide a joint recommendation on how the DCF will affect

¹⁵ The assessment of this cost impact excludes the direction related to Western Copper Aerial Photo Mapping as it is a project less than \$0.1 million (Board Order 2013-01, paragraph 301).

¹⁶ The Board’s direction relates to a deferred cost recorded as closed in the Application at end of 2011.

the Energy Reconciliation Account (ERA) in Rate Schedule 42 and any proposed wording changes to that rate schedule (Board Order 2013-01, paragraph 255); accordingly, YEC is directed to re-file a Rate Schedule 42 in cooperation with YECL (paragraph 281). Yukon Energy will meet with YECL to develop a joint recommendation on how the DCF will affect the ERA in Rate Schedule 42 and any proposed wording changes to that rate schedule, and will report to the Board as soon as possible on this matter.

- c. **Diesel Contingency Fund (DCF) Proposal** – Board Order 2013-03 did not approve DCF proposal provided in May 1, 2013 Compliance Filing, and directed as follows in its Reasons for Decision (paragraph 16):

“YEC may file a future revised DCF proposal and ERA application. The Board prefers a joint filing from YEC and YECL. However, if agreement cannot be reached, a filing in which the companies state which aspects of the revised DCF proposal and ERA amendment they agree upon, the aspects they disagree upon and the position of each company on those aspects they disagree upon is acceptable. The filing must also address the concerns raised in Board Order 2013-01 Attachment A: Reasons for Decision. This future revised DCF proposal and ERA application will be separate from the compliance filing directed in this order.”.

1.2 IMPACT OF CHANGES ON REQUIRED RATE INCREASE

Table 1.2 below provides the 2012/2013 required revenues from rates with changes as directed by Order 2013-01 and Order 2013-03. Table 1.3 provides the detailed required revenue increase calculation.

Table 1.2:
YEC 2012/2013 Compliance Filing Revenue Required from Rates (\$000s)

	<u>2012</u>	<u>2013</u>
Revenue Requirement (from Table 2.1 and Table 2.2)	\$38,850	\$42,263
Less: Non-rate Revenues	\$184	\$184
Revenue Required from Firm Rates	\$38,666	\$42,079
Less: Revenues from Firm Sales at Existing Rates (including “Fixed” component of industrial Rider F)	<u>\$34,994</u>	<u>\$35,916</u>
Firm Rate Increase Proposed	\$3,672	\$6,163

Table 1.3:
YEC 2012/2013 GRA Compliance Filing Required Revenue Increase Calculation

Line #			Forecast 2012	Forecast 2013
1	Total Consolidated Retail Revenues at existing rates	\$million	51.188	52.394
2	Industrial Revenues at existing rates	\$million	4.955	5.395
3=1+2	Total Consolidated Revenues at existing rates	\$million	56.14	57.79
4=Table 1.2	Retail Revenue increase required in 2012	\$million	3.67	
5	- from non-industrial	\$million	3.51	
6	- from industrial	\$million	0.17	
7=5/1	Rider J (for non-industrial)	%	6.85%	
8=6/2	Rider J (for industrial)	%	3.34%	
9=1+1*7	Total Consolidated Retail Revenues at 2012 rates (incl Rider J)	\$million	54.69	55.98
10=2+2*8	Industrial Revenues	\$million	5.12	5.57
11=9+10	Total Consolidated Retail Revenues at 2012 rates	\$million	59.81	61.56
12=Table 1.2	Total Revenue increase required in 2013	\$million		6.16
13=11-3	Recovered from Rider J	\$million		3.77
14=12-13	Total Revenue net increase required in 2013	\$million		2.39
15=14/11	Rider R	%		3.89%
16=9+9*15	Total Consolidated Retail Revenues at 2013 rates	\$million		58.16
17=10+10*15	Industrial Revenues	\$million		5.79
18=16+17	Total Consolidated Retail Revenues at 2013 rates	\$million		63.95

Notes:

1. Total Consolidated Retail Revenues at existing rates in Line 1 includes revenues from YEC and YECL's residential, general service and streetlight sales.
2. Industrial revenue forecasts in Line 2 are based on rates as of January 1, 2012 (YUB 2011-14).

In summary, compared to the 2012/2013 GRA Application:

- **In 2012**, the total revenue requirement is reduced \$1.007 million, total revenue at existing rates is reduced \$1.224 million and the required GRA Rate increase increased by \$0.217 million.
- **In 2013**, the total revenue requirement is reduced \$3.378 million, total revenue at existing rates is reduced \$1.856 million and the required GRA rate increase is decreased by \$1.522 million.

Excluding time-limited true-up rate increases, the annualized required rate increase resulting from Board Orders 2013-01 and 2013-03 for each test year is as follows (prior to consideration of interim rates and true up riders as required to address implementation of Orders 2013-01 and 2013-03):

- **For 2012** – Rate increase of 6.85% (3.34% increase for industrial rate in addition to approved 3.4% increase approved January 1, 2012).

- **For 2013** – Rate increase of 3.89% for retail and industrial customers.
- **Cumulative rate increase** over the test years of 11.01% for retail customers (compared to 13.32%) – A 2.31% decrease from the requested cumulative increase as set out in the Application. The cumulative rate increase for industrial customers is 7.36%.

Order 2012-5 approved an interim refundable Rider J effective July 1, 2012. This interim refundable rider provided for rate adjustments of 6.4% for retail customers and 2.9% for industrial customers for 6 months of 2012. A true-up rider will be required to address 2012 revenue shortfalls related to (1) a higher percentage rate increase for 2012; and (2) six months of unrecovered revenues for 2012 [January 1, 2012 to June 30, 2012].

YEC prior to year-end 2012 applied for approval of Rider R on an interim refundable basis. The Board in Order 2012-10 approved interim rate adjustments of 3.75% for firm retail and industrial customers through implementation of Rider R effective January 1, 2013. A true up rider will be required to address 2013 revenue shortfalls related to (1) a higher percentage rate increase for 2013 of 3.89% (0.14% higher); and (2) to address amounts not collected over the period from January 1, 2013 to June 30, 2013 due to an error in the actual interim Rider R charges billed to ratepayers¹⁷. Detailed calculations supporting the calculation of the true up rider are provided in Appendix 1.1, Tables 1.1-4 to 1.1-7.

Assuming that July 1, 2013 is the earliest date for implementing any adjustment to Rider J and Rider R to reflect Orders 2013-01 and 2013-03, true-up adjustments are required for 2012, and for 6 months in 2013 (January 1, 2013 until June 30, 2013). In order to implement the rate-related decisions from Board Orders 2013-01 and 2013-03 effective July 1, 2013, the following true-up adjustments are required as at that date:

- 1. Ongoing Rider J Adjustment** – Interim Rider J must be made final and increased to a final total cumulative rate increase of 11.01% for non-industrial customers and 7.36%¹⁸ for industrial customers, effective July 1, 2013 (until the next General Rate Application or until such time as otherwise adjusted by the Board, e.g., at such time as Phase II matters are addressed and all riders are included in base rates).
- 2. Across the Board time-limited Rider R charge** – To collect rate revenue shortfalls in 2012 and the first six months of 2013. This rider increase is proposed to be applied over 12 months (time-limited Rider of 3.62% from July 1, 2013 to June 30, 2014). This true up rider is primarily required because, in summary and as reviewed below, interim rates approved in Order 2012-5

¹⁷ Since January 1, 2013, Rider R bills have in error been calculated only on the base rate which consists of customer charge/demand charge and energy charge. It should have been calculated on the base rate, including Rider J. This error in calculation was determined during the Compliance Filing process; accordingly, collections of Rider R during January-June 2013 are calculated in Appendix 1.1, Table 1.1-5 on this same basis.

¹⁸ Reflects 3.4% increase approved January 1, 2012 for industrial customers and included in the actual rates charged to these customers (i.e., there is no rate rider). The overall increase in industrial rates effective July 1, 2013, compared to industrial rates in effect at December 31, 2011, is 11.01% (i.e., the same rate increase as will apply for retail customers).

and Order 2012-10 are lower than the required rate increases for 2012 and 2013 based on the revenue requirement as approved in Orders 2013-01 and 2013-03.

- **True-up Adjustment for 2012** – The 2012 test year is to be finalized consistent with a \$3.672 million rate revenue increase (compared to \$3.456 million proposed in the General Rate Application). At GRA test year forecasts, interim Rider J collections for July-December 2012 equal \$1.686 million; accordingly, a one-time adjustment of \$1.911 million is required to collect the net revenue shortfall for 2012 (after \$0.074 million Rider F related adjustments as noted below). Yukon Energy proposes to collect this amount over a 12 month period starting from July 1, 2013.
- **True-up Adjustment for 2013** – The 2013 test year is to be finalized at a level providing for \$6.163 million annualized rate revenue increase. An interim Rider R of 3.75% was approved by Order 2012-10 effective January 1, 2013 and interim Rider J continue to apply in 2013. Interim Rider R and Interim Rider J forecast collections for January – June 2013 at test year forecast load equal \$2.855 million. Assuming that the new ongoing Rider J of 11.01% for non-industrial and 7.36% for industrial is effective as of July 1, 2013, \$3.063 million is forecast to be collected during July-December 2013 (at GRA forecast loads); accordingly, a one-time adjustment of \$0.250 million is required to collect the net revenue shortfall for 2013 due to the interim Rider J and Interim Rider R being in place until June 30, 2013 (after -\$0.0068 Rider F related adjustments as noted below). Yukon Energy proposes to collect this amount over a 12 month period starting from July 1, 2013.
- **Rider F True Up Adjustment** – Pursuant to past practice, at each YEC GRA the Rider F account relating to YEC is reset to zero. All future calculations relating to Rider F will utilize the Board approved fuel prices and fuel efficiency as the base, as well as approve Secondary Sales forecast rates. The 2012 and 2013 Rider F Adjustments (see Appendix 1.1, Table 1.1-7) equal the difference in Fuel Price Variance calculated by using 2009 GRA fuel efficiency and fuel prices and 2012/2013 GRA fuel efficiency and fuel prices, as well as related variance between the 2009 GRA and the Order 2013-03 approved Secondary Sales rates. These adjustments, which total \$0.068 million reduction to the current true-up requirement (\$0.074 million in 2012 and -\$0.0068 million in 2013), also reflect corrections to the Rider F calculation¹⁹.
- **Total Net True Up Adjustment** – Consequently, taking into account the above true-up amounts for 2012 and 2013 plus the Rider F true-up adjustment, there is a need to recover a total \$2.162 million from ratepayers related to under collection of amounts in 2012 and 2013. Yukon Energy proposes to collect this amount over a 12 month period starting from July 1, 2013. Based on a consolidated rate revenue forecast at pre-GRA rates for this period of \$59.761 million (\$53.027 million non-industrial and \$6.734 million industrial), the resultant time-limited 12 month Rider R is 3.62% effective July 1, 2013.

¹⁹ Over the period from September 2011 to December 2012 the Rate Schedule 32 Secondary Sales Adjustments to the Rider F balances used Rate Schedule 42 (firm wholesale) rates instead of Rate Schedule 43 (secondary wholesale) rates. The correction results in \$0.056 benefit to ratepayers.

1.3 REQUESTED APPROVALS

Yukon Energy requests the following final approvals²⁰:

1. Approval to set an ongoing Rider J at 11.01% for all non-industrial retail firm rates and 7.36% for industrial firm rates, effective July 1, 2013, applicable to all YEC and YECL firm retail and industrial rates, including fixed Rider F and fixed monthly payments for major industrial rates (all YECL recoveries from this rider would flow through to YEC).
2. Approval to set a time-limited Rider R of 3.62%, to be in effect from July 1, 2013 to June 30, 2014, applicable to all YEC and YECL firm retail and industrial rates (all YECL recoveries from this rider would flow through to YEC), to collect the remaining 2012 and 2013 net revenue shortfall. Effective July 1, 2014, Rider R would be set to zero.

²⁰ Board Order 2013-03 provided approvals as requested in the original May 1, 2013 Compliance Filing as regards: (a) to establish and maintain a hearing cost reserve account going forward; and (b) approval, for the forecast secondary rate effective January 1, 2012 as required to apply any secondary sales revenues to the Rider F account as this has been done in the past, of 8.7 cents/kWh for retail secondary sales and 7.6 cents/kWh for wholesale secondary sales.

Appendix 1.1

Table 1.1-1: YEC 2012/13 GRA Compliance Filing: Diesel Generation and Fuel Expense Forecast

	2012/13 GRA		Adjustments (YUB 2013-01)		Compliance Filing	
	2012	2013	2012	2013	2012	2013
Load Forecast - 2012/13 GRA Application, GW.h	415.9	430.4				
<i>Minto Load forecast update (paragraph 39)</i>			-9.5	-17.0		
<i>Fish Lake impact to wholesales (paragraph 35)</i>				3.9		
<i>Provision for YECL losses on WHCT load (paragraph 49) ¹</i>				0.3		
<i>Line Losses for the adjustments</i>			-0.8	-1.1		
<i>Total Load adjustments</i>			-10.4	-14.0		
Load Forecast - Compliance Filing, GW.h					405.6	416.4
	2012/13 GRA: 66% of long-term average for 2012 and 59% for 2013		Adjustments (YUB 2013-01)		Compliance Filing at 100% long-term average	
	2012	2013	2012	2013	2012	2013
Diesel Generation Forecast - 2012/13 GRA Application, GW.h ²	7.5	10.7				
<i>Use Long-term average (paragraph 60)</i>			4.0	7.5		
<i>Updated Load Forecast (paragraph 68)</i>			-3.6	-7.2		
<i>Total Load adjustments</i>			0.4	0.3		
Diesel Generation Forecast - Compliance Filing, GW.h					7.9	11.0
Diesel Fuel Expense - 2012/13 GRA Application, \$000 ²	2,163	3,073				
<i>Use Long-term average (paragraph 60)</i>			1,134	2,137		
<i>Updated Load Forecast (paragraph 68)</i>			-1,021	-2,050		
<i>Total Load adjustments</i>			113	87		
Diesel Fuel Expense - Compliance Filing, \$000					2,276	3,160

Notes:

1. Provision for YECL losses on WHCT load calculated at 6.2% (YECL's 2009 GRA).

2. Diesel generation and fuel expense forecasts in 2012/13 GRA were based on 66% of long-term average for 2012 and 59% for 2013. At 100% long term average the diesel generation would be 11.5 GW.h for 2012 and 18.2 GW.h for 2013, and fuel expense \$3.3 million and \$5.2 million in 2012 and 2013 respectively (please see 2012/13 GRA Application, Tab 2, footnote 26).

Table 1.1 -2. Adjustments to the Ratebase, Return on Ratebase and Amortization Expense

in \$000	2012/13 GRA Application		YUB 2013-01 and 2013-03 Compliance Filing		Adjustments				
	2012	2013	2012	2013	2012	2013			
Mid-year Net Rate base before Rate case	215,896	233,546	210,354	220,918	-	5,542	-	12,628	
<i>Due to Marsh Lake and Gladstone (Paragraph 337 & 344)</i>					-	3,962	-	8,178	
<i>Due to <\$1 million projects (Paragraph 301 & 398)</i>					-	1,097	-	3,734	
<i>Due to disallowed projects (Paragraph 324 & 379)</i>					-	485	-	723	
<i>Due to RFID (Paragraph 168)</i>						3		8	
Mid-year Rate case cost	3,006	3,911	2,005	1,486	-	1,001	-	2,425	
<i>Due to DSM cost (Paragraph 367)</i>					-	824	-	2,095	
<i>Due to Resource Plan cost (Paragraph 398)</i>					-	176	-	329	
Mid-year working capital	4,118	4,280	4,108	4,280	-	10	-	-	
Total Mid-year Net Rate base	223,020	241,738	216,467	226,684	-	6,553	-	15,053	
Average Cost of Capital	5.54%	5.85%	5.26%	5.45%		-0.27%		-0.40%	
<i>Cost of debt</i>	3.38%	3.90%	3.27%	3.58%		-0.10%		-0.32%	
<i>ROE</i>	8.77%	8.77%	8.25%	8.25%		-0.52%		-0.52%	
Return on rate base	12,345	14,130	11,397	12,348	-	948	-	1,783	
<i>Debt</i>	4,521	5,650	4,253	4,867	-	268	-	783	
<i>ROE</i>	7,824	8,480	7,143	7,481	-	680	-	1,000	
Total Return on rate base change						-	948	-	1,783
<i>Due to Lower ROE and Debt cost</i>						-	585	-	903
<i>Due to Lower Rate base</i>						-	363	-	880
Net Amortization	7,813	10,012	7,927	8,604		114	-	1,409	
<i>Fixed Asset Depreciation (Reflects Minto SCADA dis. cost)</i>	8,414	8,985	8,402	8,972	-	12	-	12	
<i>Customer contribution</i>	-	3,536	-	3,536	-	-	-	-	
<i>Amortization of fire insurance recoveries</i>	-	262	-	262	-	-	-	-	
<i>Amortization of deferred charges</i>	3,198	4,859	3,324	3,462		126	-	1,397	
<i>Rate Case</i>						97	-	183	
<i>Feasibility</i>						6	-	1,076	
<i>Relicensing</i>						-	-	46	
<i>Dam safety</i>									
<i>Deferred Overhauls</i>						36	-	92	
Total Impact to Revenue Requirement						-	834	-	3,191

Note:

1. The table shows only capital related, including cost of capital, adjustments based on YUB 2013-01 and YUB 2013-03.
2. The table does not include impacts of O&M adjustments.

Table 1.1 -3. Supporting Table for the Adjustments to the Ratebase, Return on Ratebase and Amortization Expense

	Cost (year end)		Amortization Impact		Rate Base Impact	
	2012	2013	2012	2013	2012	2013
Paragraphs 337 and 344						
Marsh Lake	4,030,907	800,000	-	403,091	- 2,015,454	- 4,229,362
Gladstone	3,893,624	500,000	-	389,362	- 1,946,812	- 3,948,943
Total	7,924,532	1,300,000	-	792,453	- 3,962,266	- 8,178,305
Paragraphs 324 and 379						
Minto Diesel SCADA	478,864		-	12,279	- 12,279	- 485,003
District Heating	449	500,000	-	90	- 225	- 250,404
Total	479,313	500,000	-	12,279	- 12,368	- 485,228
Paragraph 398 - between \$0.1 million and \$1 million projects						
Feasibility	1,126,617	1,000,000	-	225,323	- 563,309	- 1,513,955
WH4 (Rotor) Investigation	175,310					
Study of Ice Processes in the Mayo River at Mayo	50,000					
Large Hydro	200,000					
International Financial Reporting Standards	101,307					
Atlin Grid Connection Feasibility Study	50,000					
Climate Change Study	50,000					
Wind Feasibility- Ferry Hill	100,000					
System Stability Review	150,000					
Aishihik Hydro - Turbine-rerunning	150,000					
Wareham Spillway Hoist Upgrade	100,000					
Large Hydro		100,000				
Wind Feasibility- Ferry Hill		100,000				
Wareham Spillway Hoist Upgrade		650,000				
Condition Assessment of Selected YEC Assets		150,000				
below \$0.1 million projects (trated the same as \$0.1-\$1 million projects)						
Feasibility	260,500	105,000	-	52,100	- 130,250	- 286,950
Mayo Lake Outlet Channel Bathymetry & Water Output Analysis	55,500					
Faro FD1 Mirrlees Generator Assessment Rad Repair	50,000					
Hydraulic Wood Removal System for Spill Gates at WH	75,000					
Whitehorse Dam Break and Mapping	80,000					
VOIP Assessment		35,000				
Diesel Seismic Study - Dawson, Whse, Faro		70,000				
Western Copper - Aerial Photo Mapping (Para 301) - 2012 EB	24,187		-	6,047	- 6,047	- 27,210
Deferred Overhauls	1,285,850	1,600,000	-	92,170	- 392,925	- 1,789,765
DD2 Engine Overhaul - Complete	135,850		-	27,170		
DD5 Bottom End Overhaul	500,000	150,000		was in WIP		
AH1 Ten Year Overhaul	325,000	300,000	-	32,500		
AH2 Ten Year Overhaul	325,000	300,000	-	32,500		
DD3 Engine Overhaul - Complete		350,000				
WH3 Ten Year Overhaul (2013)		500,000				
DD2 Engine Overhaul - Complete for 2011						
added	143,029		35,757	35,757	160,907	125,150
reduced (from original filing)	- 178,786		-	- 35,757	- 89,393	- 160,907
Net impact	- 35,757		35,757	-	71,514	- 35,757
Relicensing						
Air Emission License Renewal	87,403		-	43,702	- 43,702	- 65,552
Lewes Control Evaluation	22,123		-	2,011	- 11,062	- 21,117
Total	2,806,680	2,705,000	29,710	421,353	- 1,096,942	- 3,734,261
Total after \$500k adjustment for DD5 Bottom End Overhaul	2,306,680	3,205,000				
Rate Case						
Due to DSM (Paragraph 367)						
reduced (from original filing)	- 1,346,362	- 1,635,000	-	30,262	- 137,662	- 824,494
Due to RPU (Paragraph 398)						
added	507,125		126,781	126,781	570,516	443,734
reduced (from original filing)	- 633,906		-	- 126,781	- 633,906	- 570,516
reduced (from original filing)	- 225,000		-	45,000	- 112,500	- 202,500
Net impact	- 351,781		126,781	- 45,000	- 175,891	- 329,281

**Table 1.1-4. Determination of the 2012 and 2013 Revenue Shortfall True-up Rider
Effective July 2013 - June 2014**

Line No.		Reference	\$000
	2012		
1	2012 Compliance Filing Revenue Requirement	Table 2.1	38,850.0
2	2012 Revenues at pre-GRA rates	Table 2.1	<u>35,178.0</u>
3	Revenue Shortfall/(Surplus)	L1 - L2	3,672.0
	Rider J collections and Rider F adjustments		
4	July-December 2012 Rider J Collections at GRA forecast	Table 1.1-5	1,686.1
5	Transfer 2012 Rider F Adjustments	Table 1.1-7	<u>74.7</u>
6	Total 2012 Rider collections	L4 +L5	1,760.8
7	Net 2012 Revenue Shortfall/(Surplus) True-up	L3 - L6	1,911.2
	2013		
8	2013 Compliance Filing Revenue Requirement	Table 2.2	42,262.9
9	2013 Revenues at pre-GRA rates	Table 2.2	<u>36,099.9</u>
10	Revenue Shortfall/(Surplus)	L8 - L9	6,163.0
	Rider J collections and Rider F adjustments		
11	Jan-June 2013 Forecast Rider J and Rider R Collections	Table 1.1-5	2,855.3
12	July-December 2013 Forecast Rider J and Rider R Collections	Table 1.1-5	3,063.6
13	Transfer Jan-March 2013 Rider F Adjustments	Table 1.1-7	<u>-6.8</u>
14	Total 2013 Rider collections	L11+L12+L13	5,912.2
15	Net 2013 Revenue Shortfall/(Surplus) True-up	L10 - L14	250.8
16	Total Net Revenue Shortfall/(Surplus) True-up	L7 + L15	2,162.1
	July 2013 - June 2014 Revenues at pre-GRA rates		
17	Consolidated Non-industrial	Table 1.1-5 and	53,027.2
18	Consolidated Industrial	Table 1.1-6	6,733.8
19	Total July 2013 - June 2014 Revenues at pre-GRA rates	L17 + L18	59,761.0
20	2012 and 2013 Revenue Shortfall True-up Rider effective July 1, 2013		
			True-Up Rider
	Shortfall True-up (\$000)	L16	2,162.1
	Shortfall True-up effective July 1, 2013		
21	Non-industrial	L16 / L19	3.62%
22	Industrial	L16 / L19	3.62%

Table 1.1-5 Yukon Energy Corporation 2012/13 GRA Compliance Filing: True-up calculation
Rider J and Rider R

	YEC Retail Revenues			YEC Industrial Revenues			YECL Retail Revenues					YECL Industrial Revenues			Total Rider collection at GRA forecast	
	at pre-GRA rates	Rider J	Rider R	at pre-GRA rates	Rider J	Rider R	Wholesales to YECL (net of WHCT load)	Monthly distribution	YECL retail revenues at pre-GRA rates	Rider J	Rider R	at pre-GRA rates	Rider J	Rider R	Rider J	Rider R
	\$000	\$000	\$000	\$000	\$000	\$000	GW.h	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2012 Test Year																
January	537.0			428.8			31.0	10%	4,787.3							
February	475.9			409.3			27.0	9%	4,169.6							
March	452.6			432.3			28.5	10%	4,401.2							
April	428.3			432.4			22.0	7%	3,397.4							
May	409.0			440.7			21.9	7%	3,382.0							
June	473.2			406.6			19.6	7%	3,019.1							
July	492.7	31.5		438.9	12.7		20.2	7%	3,111.7	199.2					243.4	
August	429.9	27.5		431.3	12.5		19.6	7%	3,019.1	193.2					233.2	
September	483.2	30.9		413.9	12.0		21.6	7%	3,335.6	213.5					256.4	
October	406.2	26.0		429.2	12.4		23.8	8%	3,667.7	234.7					273.2	
November	427.6	27.4		343.5	10.0		29.8	10%	4,594.2	294.0					331.4	
December	461.4	29.5		348.0	10.1		31.3	11%	4,825.9	308.9					348.5	
Total 2012	5,476.9	172.9		4,955.0	69.7		296.0	100%	45,710.7	1,443.5					1,686.1	
2013 Test Year																
January	551.5	35.3	20.7	366.4	10.6	13.7	31.7	10%	4,903.7	313.8	183.9			359.8	218.3	
February	489.8	31.4	18.4	375.4	10.9	14.1	27.6	9%	4,270.9	273.3	160.2			315.6	192.6	
March	467.5	29.9	17.5	396.3	11.5	14.9	29.1	10%	4,508.2	288.5	169.1			329.9	201.4	
April	442.9	28.3	16.6	399.4	11.6	15.0	22.5	7%	3,480.0	222.7	130.5			262.6	162.1	
May	431.2	27.6	16.2	403.0	11.7	15.1	22.4	7%	3,464.2	221.7	129.9			261.0	161.2	
June	489.8	31.3	18.4	408.5	11.8	15.3	20.0	7%	3,092.5	197.9	116.0			241.1	149.7	
Subtotal Jan-June	2,872.6	183.8	107.7	2,349.0	68.1	88.1				1,518.1	889.5			1,770.0	1,085.3	
July	505.1	55.6		414.6	30.5		20.6	7%	3,187.4	350.8		115.6	8.5	445.4	-	
August	446.9	49.2		415.0	30.5		20.0	7%	3,092.5	340.3		115.6	8.5	428.5	-	
September	499.2	54.9		401.4	29.5		22.1	7%	3,416.8	376.0		113.0	8.3	468.8	-	
October	411.4	45.3		407.4	30.0		24.3	8%	3,756.9	413.5		115.6	8.5	497.2	-	
November	431.0	47.4		396.5	29.2		30.4	10%	4,706.0	517.9		113.0	8.3	602.8	-	
December	475.9	52.4		402.7	29.6		31.5	10%	4,872.9	536.3		35.4	2.6	620.9	-	
Subtotal July-Dec	2,769.5	304.8		2,437.7	179.3					2,534.8		608.1	44.7	3,063.6	-	
Total 2013	5,642.1	488.6	107.7	4,786.7	247.4	88.1	302.1	100%	46,752.1	4,052.9	889.5	608.1	44.7	-	4,833.7	1,085.3

Notes:

- Rider J collections for July-Dec 2012 and Jan-June 2013 are calculated based on YUB Order 2012-5 at 6.4% for non-industrial retail rates and 2.9% for industrial rates. Rider J collections for July-December 2013 are calculated at proposed ongoing Rider J at 11.87% for non-industrial and 8.19% for industrial, effective July 1, 2013, applicable to all YEC and YECL firm retail and industrial rates. Rider R collections for Jan-June 2013 are based on YUB Order 2012-10 at 3.75% for firm retail and industrial rates. Since January 1, 2013, Rider R bills have in error been calculated only on the base rate which consists of customer charge/demand charge and energy charge. It should have been calculated on the base rate, including Rider J. This error in calculation was determined during the Compliance Filing process. January - June 2013 Rider R forecast collections are calculated on the same basis as the Rider is being charged to customers over this period.
- YECL retail revenue forecasts are based on 2012/13 GRA Application Tab 4, Table 4.2 (Line 1) consolidated revenue forecasts: \$51.188 million less YEC retail revenue forecast of \$5.477 million (Tab 2, Table 2.1.) equal to \$45.711 million for 2012; \$52.394 million less YEC retail revenue forecast of \$5.642 million (Tab 2, Table 2.1.) equal to \$46.752 million for 2013.
- YEC Industrial revenues are Compliance Filing Tab 7, Schedule 9, Line 15. YECL industrial revenue forecast is calculated based on WHCT forecast for 2013 (UCG-YEC-1-20, Table 3).

Table 1.1 -6. Yukon Energy Corporation 2012/13 GRA Compliance Filing: True-up calculation
Revenue forecasts at pre-GRA rates for 2014

	YEC retail revenues at pre-GRA rates	YECL retail revenues at pre-GRA rates	Total retail revenues at pre-GRA rates	YEC industrial revenues at pre-GRA rates	YECL industrial revenues at pre-GRA rates	Total industrial revenues at pre-GRA rates
Forecast Increase over 2013	2.26%	2.39%				
2014 Forecast						
January	563.9	5,021.1	5,585.0	537.0	35.4	572.3
February	500.9	4,373.2	4,874.1	500.0	35.4	535.4
March	478.0	4,616.2	5,094.2	537.0	115.6	652.5
April	452.9	3,563.4	4,016.3	524.6	113.0	637.6
May	440.9	3,547.2	3,988.1	537.0	115.6	652.5
June	500.9	3,166.6	3,667.4	524.6	113.0	637.6
Total Jan-June	2,937.5	24,287.6	27,225.2	3,160.1	527.9	3,688.1
July	516.5	3,263.8	3,780.3	537.0	115.6	652.5
August	457.0	3,166.6	3,623.5	537.0	115.6	652.5
September	510.5	3,498.6	4,009.1	524.6	113.0	637.6
October	420.7	3,846.8	4,267.5	537.0	115.6	652.5
November	440.8	4,818.7	5,259.4	524.6	113.0	637.6
December	486.7	4,989.6	5,476.3	537.0	35.4	572.3
Total July-Dec	2,832.1	23,584.0	26,416.1	3,197.1	608.1	3,805.2
Total 2014	5,769.6	47,871.7	53,641.3	6,357.2	1,136.0	7,493.3
July-Dec 2013	2,769.5	23,032.5	25,802.0	2,437.7	608.1	3,045.8
Jan-June 2014	2,937.5	24,287.6	27,225.2	3,160.1	527.9	3,688.1
July 2013 - June 2014	5,707.0	47,320.1	53,027.2	5,597.8	1,136.0	6,733.8

Notes:

1. YEC retail revenue forecast to increase by 2.26% (YEC 2011-2030 Resource Plan Update growth rate) over 2013 forecast revenues.
2. YECL retail revenue forecast to increase by 2.39% over 2013 forecast revenues. The growth of 2.39% is based on YECL Grid load growth in 2013 over 2012 (Wholesales at 302.1 GW.h plus Fish Lake forecast at 4.87 GW.h = 306.9 GW.h for 2013; Wholesales at 296 GW.h plus Fish Lake forecast at 3.8 GW.h = 299.8 GW.h for 2012).
3. Industrial revenue forecasts are based on forecast load for Minto, Alexco and WHCT mines for 2014.

**Table 1.1 -7. Yukon Energy Corporation 2012/13 GRA Compliance Filing
Rider F Adjustments for True-up (\$)**

Line No.	Month	Fuel Price Variance [Original] ¹	RS 32 SS Adjustment ²	Rider F Surcharge - Industrial	Rider F Surcharge - CIS	Inter- company Transfer	Balance
		A	B	C	D	E	F
Original Filing							
1	Dec-11						-114,647
2	Jan-12	-30,317	0	12,924	12,568	7,699	-111,772
3	Feb-12	-871	0	12,266	11,557	6,553	-82,267
4	Mar-12	-1,980	0	13,331	10,352	209	-60,354
5	Apr-12	-2,534	0	13,660	9,916	-5,716	-45,029
6	May-12	-321	0	13,611	10,858	-8,443	-29,324
7	Jun-12	-2,560	0	11,892	11,911	-10,041	-18,121
8	Jul-12	-2,120	0	13,740	12,236	-13,375	-7,641
9	Aug-12	-4,070	-3,105	13,073	12,022	-14,205	-3,925
10	Sep-12	118	-741	11,126	9,019	-14,546	1,050
11	Oct-12	-3,047	-7,014	7,361	9,020	-13,653	-6,283
12	Nov-12	-7,068	-9,221	19,211	5,155	-22,419	-20,624
13	Dec-12	-25,096	-3,917	7,689	6,455	2,558	-32,935
	Adjustment ³		55,937				
14	Dec-12						23,002
15	Jan-13	-5,295	6,900	6,185	7,314	409	38,516
16	Feb-13	-1,023	4,392	6,150	6,130	1,391	55,556
17	Mar-13	-4,849	4,896	6,302	5,824	-42,963	24,767

Line No.	Month	Fuel Price Variance [Revised] ⁴	RS 32 SS Adjustment ⁵	Rider F Surcharge - Industrial	Rider F Surcharge - CIS	Inter- company Transfer	Balance		
		A	B	C	D	E	F		
Compliance Filing									
18	Dec-11						-114,647	Line 1	
19	Jan-12	-2,238	0	12,924	12,568	7,699	-83,692		
20	Feb-12	-23	0	12,266	11,557	6,553	-53,339		
21	Mar-12	-380	0	13,331	10,352	209	-29,827		
22	Apr-12	-214	0	13,660	9,916	-5,716	-12,181		
23	May-12	-77	0	13,611	10,858	-8,443	3,768		
24	Jun-12	-545	0	11,892	11,911	-10,041	16,986		
25	Jul-12	-365	0	13,740	12,236	-13,375	29,221		
26	Aug-12	-40	0	13,073	12,022	-14,205	40,071		
27	Sep-12	-474	0	11,126	9,019	-14,546	45,196		
28	Oct-12	177	-3,512	7,361	9,020	-13,653	44,589		
29	Nov-12	1,202	-4,617	19,211	5,155	-22,419	43,121		
30	Dec-12	4,706	-1,961	7,689	6,455	2,558	62,568		
	Adjustment ³		12,140						
31	Dec-12						74,707		
32	Total Adjustment for 2012							74,707	Line 31
33	Dec-12						0	(Line 31 - Line 32)	
34	Jan-13	493	-1,725	6,185	7,314	409	12,676		
35	Feb-13	-18	-1,098	6,150	6,130	1,391	25,231		
36	Mar-13	29	-1,224	6,302	5,824	-42,963	-6,800		
37	Adjustment for Jan-March 2013							-6,800	Line 36
38	April 1, 2013 Balance							0	(Line 36 - Line 37)

Notes:

1. Based on 2009 GRA fuel prices and fuel efficiencies.
2. Based on 2009 GRA approved secondary sale rate.
3. RS 32 SS Adjustment calculations were using Rate Schedule 42 (firm wholesale) rates, instead of Rate Schedule 43 (secondary wholesale) rates. The correction for September 2011 - December 2012 is \$55.94 thousand as benefit to ratepayers; the correction for September 2011 - December 2011 is \$12.14 thousand as benefit to ratepayers and added as a correction to the December 2011 ending balance.
4. Based on 2012/13 GRA fuel prices and fuel efficiencies.
5. Based on 2012/13 GRA proposed secondary sale rate (Q1 2012 reported rate).

2.0 DETAILED 2012 AND 2013 REVENUE REQUIREMENTS

Section 2.1 and Section 2.2 summarize the impact of Board Orders 2013-01 and 2013-03 on each test year.

2.1 2012 REVENUE REQUIREMENT

As provided in further detailed below, Yukon Energy has calculated the changes to the 2012 YEC revenues at existing rates and the 2012 YEC revenue requirement (see Table 2.1). A detailed narrative explaining the changes as directed by Orders 2013-01 and 2013-03 is provided in Section 1.1 of this Compliance Filing.

**Table 2.1:
Summary of the Changes to the Revenue Requirement
and Revenues at Existing Rates for 2012**

Revenue Requirement for 2012 (\$000)	2012/2013 GRA	Order 2013-1 and 2013-3	Adjustments
Fuel and Purchased Power	2,203	2,316	113
Fuel expense adjustment			113 Reflects updated load forecast and using 100% of long-term average
Non Fuel O&M - Labour	9,185	9,155	-30
Non Fuel O&M -Other	8,311	8,055	-255
Communication expense forecast			-201 Reduced from \$0.306 million to \$0.105 million (para. 134)
DSM Administration cost			-49 Deferred DSM Admin cost (paragraph 367)
RFID appropriation			-5 Reduced RFID appropriation - \$0.005 million (para. 168)
Depreciation and Amortization	7,813	7,927	114
Minto diesel and SCADA amortization			-12 Amortization of disallowed cost (paragraph 324)
Western Copper - Aerial Photo Mapping			-6 Project remains in WIP (paragraph 301)
Rate Case deferred cost amortization			97 \$0.030 million reduction due to DSM deferred costs that remain in WIP (paragraph 367); \$0.127 million increase due to Resource Plan Update cost by end of 2011 closed-out in 2011 (paragraph 398).
Deferred Overhauls amortization			36 DD2 Engine Overhaul cost of \$0.178 million closed-out in 2011 (paragraph 398)
Return on Rate Base	12,345	11,396	-948
Rate Base adjustments			
Marsh Lake and Gladstone below \$1 million deferred projects			-219 Projects remain in WIP (Paragraph 337 & 344) -70 2012 spending forecast for the deferred projects with cost <\$1 million remain in WIP and spending by end of 2011 closed-out (paragraph 301 & 398)
Disallowed costs			-27 Disallowed cost for Minto Diesel SCADA and District Heating (para. 324 & 379).
RFID appropriation			0.1 Reduced RFID appropriation - \$0.005 million (para 168)
DSM deferred cost			-46 Project remains in WIP (paragraph 367)
Mid-year working capital			-1 Impact of the changes to the O&M expense
Total Rate Base related			-363
Lower ROE and debt cost			-585 Lower ROE (changed from 8.77% to 8.25%) and lower cost of debt (2011 changed from 5% to 3.69%; 2012 changed from 5% to 3.97%)
A Total Revenue Requirement	39,857	38,850	-1,007
			Total Adjustments
Revenues at Existing Rates			
Non-industrial retail	5,477	5,477	0
Industrial	6,179	4,955	-1,224
			-1,024
			-230 Minto load reduction (paragraph 39)
			30 Alexco demand correction (YEC's Final Argument, page 19)
			Industrial demand revenue forecast correction
Wholesale	24,562	24,562	0
Other Revenue	184	184	0
B Total revenues at existing rates	36,402	35,178	-1,224
C=A-B Shortfall /(Surplus) for 2012	3,455	3,672	217

In summary, as described in Table 2.1 and in the detailed revised schedules set out in Section 3 of this document, Board Orders 2013-01 and 2013-03 direct the following adjustments to the proposed 2012 revenue requirement, revenues and revenue shortfall for Yukon Energy:

- **Increased 2012 Revenue Forecast:** Overall, the estimated approved 2012 total revenues at existing rates of \$35.178 million are \$1.224 million lower than the \$36.402 million forecast in Yukon Energy's Application. The decrease in 2012 total revenues at existing rates relates to the following adjustments directed in Order 2013-01 and detailed in Table 2.1 that resulted in a net reduction to the industrial sales forecast:
 - Decreased Forecast Minto Sales Revenues – A \$1.024 million reduction in Minto sales in 2012 due to a material change in the Minto sales forecast relating to a reduction in GRA forecast from 39.3 GWh to 29.7 GWh [a 9.5 GWh reduction in sales in 2012 from forecast].
 - Alexco Demand Correction – A \$0.230 million reduction in revenues due to a correction to the Alexco demand forecast.
 - Demand revenue forecast correction – A \$0.030 million increase in forecast revenues in 2012 due to a correction to the demand revenue forecast.
- **Reduced 2012 Revenue Requirement:** Overall, the estimated approved 2012 revenue requirement of \$38.850 million is \$1.007 million less than proposed in the 2012/2013 Application. Table 2.1 indicates the following required adjustments that impact 2012 as directed by Orders 2013-01 and 2013-03:
 - **Fuel and Purchased Power Expense** – A \$0.113 million increase in fuel expense related to load forecast adjustments directed for 2012 as well as direction to include hydro generation and diesel generation forecasts based on long term average hydro generation.
 - **Operating & Maintenance Expense** – A total \$0.285 million decrease in Non-Fuel O&M expense in 2012 comprised a \$0.03 million decrease in non-fuel O&M labour expense and a \$0.255 million reduction in non-fuel O&M other expense (\$0.201 million reduction in communication expense \$0.049 million reduction in DSM Administration expense and \$0.005 million reduction in annual appropriation to the RFID.
 - **Depreciation & Amortization Expense** – A total \$0.114 million increase in depreciation and amortization expense in 2012.
 - **Rate Base** – A total \$6.553 million reduction in mid-year rate base, reflecting adjustments to deferred cost amortization and impacts on rate base, disallowance of certain capital and deferred costs, and other minor changes.
 - **Return on Rate Base** – A \$0.948 million decrease in return on rate base in 2012 related to reduced rate base²¹ and reduced allowed cost of capital, i.e., 52 basis point reduction in return on equity (from 8.77% in Application to 8.25%) and lower cost of new debt (reduced from 5% in Application to 3.97%). The weighted average cost of debt

²¹ Reduced rate base accounts for \$0.363 million of the reduction in return.

applied to 60% of mid-year rate base is estimated to be reduced by the Order from 3.38% to 3.27% in 2012.

- **Increased 2012 Revenue Shortfall:** The overall effect of the above adjustments is to increase the 2012 revenue shortfall by \$0.217 million, from a \$3.455 million revenue shortfall in the Application to \$3.672 revenue shortfall in this Compliance Filing.

2.2 2013 REVENUE REQUIREMENT

As provided in further detailed below, Yukon Energy has calculated the changes to the 2013 YEC revenues at existing rates and the 2013 YEC revenue requirement (see Table 2.2). A detailed narrative explaining the changes as directed by Board Orders 2013-01 and 2013-03 is provided in Section 1.1 of this Compliance Filing.

**Table 2.2:
Summary of the Changes to the Revenue Requirement
and Revenues at Existing Rates for 2013**

Revenue Requirement for 2013 (\$000)	2012/2013 GRA	Order 2013-1 and 2013-3	Adjustments
Fuel and Purchased Power	3,113	3,200	87
Fuel expense adjustment			87 Reflects updated load forecast and using 100% of long-term average
Non Fuel O&M -Labour	9,378	9,348	-30 YDC allocation (paragraph 72)
Non Fuel O&M -Other	9,008	8,763	-244
Communication expense forecast			-190 Reduced from \$0.295 million to \$0.105 million (para. 134)
DSM Administration cost			-49 Deferred DSM Admin cost (paragraph 367)
RFID appropriation			-5 Reduced RFID appropriation - \$0.005 million (para. 168)
Depreciation and Amortization	10,012	8,604	-1,409
Minto diesel and SCADA amortization			-12 Amortization of disallowed cost (paragraph 324)
Western Copper - Aerial Photo Mapping			-6 Project remains in WIP (paragraph 301)
Rate Case deferred cost amortization			-183 \$0.138 million reduction due to DSM costs that remains in WIP (paragraph 367); \$0.045 million reduction due to Resource Plan Update cost for 2012 remains in WIP (paragraph 398).
Deferred Overhauls amortization			-92 DD2 Engine Overhaul, AH1 and AH2 10-year overhaul spending remain in WIP (paragraph 398)
Deferred Feasibility study amortization			-1,070 \$0.792 million reduction due to Marsh Lake and Gladstone costs remain in WIP (Paragraph 337 & 344); \$0.277 million reduction due to projects with <\$1 million remain in WIP (paragraph 398);
Deferred Relicensing costs amortization			-46 2012 spending for Air Emission License and Lewes Control Evaluation remain in WIP (Paragraph 398)
Return on Rate Base	14,130	12,348	-1,782
Rate Base adjustments			
Marsh Lake and Gladstone			-478 Marsh Lake and Gladstone costs remain in WIP (Para. 337 & 344)
\$0.1-\$1 million deferred projects			-238 2012 spending forecast for the deferred projects with <\$1 million cost remain in WIP and spending by end of 2011 closed-out (paragraph 301 & 398)
Disallowed costs			-42 Disallowed cost for Minto Diesel SCADA and District Heating (para. 324 & 379).
RFID appropriation			0.4 Reduced RFID appropriation - \$0.005 million (para 168)
DSM deferred cost			-122 DSM cost remains in WIP (paragraph 367)
Mid-year working capital			0.0 Impact of the changes to the O&M expense
Total Rate Base related			-880
Lower ROE and debt cost			-903 Lower ROE (changed from 8.77% to 8.25%) and lower cost of debt (2011 changed from 5% to 3.69%; 2012 changed from 5% to 3.97%; 2013 changed from 5% to 3.58%)
A Total Revenue Requirement	45,641	42,263	-3,378 Total Adjustments
Revenues at Existing Rates			
Non-industrial retail	5,642	5,642	0
Industrial	7,383	4,787	-2,596
			-1,816 Minto load reduction (paragraph 39)
			-172 Alexco demand correction (YEC's Final Argument, page 19)
			-608 WHCT revenues (paragraph 49)
Wholesale	24,747	25,487	740
Increased wholesale re: WHCT load			421 Increased wholesales due to WHCT served by YECL
Increased wholesale re: Fish Lake			319 Due to Fish Lake Unit #1 in-service date delay
Other Revenue	184	184	0
B Total revenues at existing rates	37,956	36,100	-1,856
C=A-B Shortfall /(Surplus) for 2013	7,685	6,163	-1,522

In summary, as described in Table 2.2 and in the detailed revised schedules set out in Section 3 of this document, Board Orders 2013-01 and 2013-03 direct the following adjustments to the proposed 2013 revenue requirement, revenues and revenue shortfall for Yukon Energy:

- **Increased 2013 Revenue Forecast:** Overall, the estimated approved 2013 total revenues at existing rates of \$36.100 million is \$1.856 million lower than the \$37.956 million forecast in Yukon Energy's Application.
 - **Increase in 2013 Wholesale Sales Revenues** – Total increase in 2013 wholesale sales revenues of \$0.740 million relating to the following changes:
 - Increase in wholesale sales in 2013 of \$0.319 million due to updated forecast regarding Fish Lake #1²² which has increased forecast wholesale sales by 3.85 GWh for 2013.
 - Increase in wholesale sales in 2013 of \$0.421 million due to requirement to include WHCT load in wholesale forecast. Increasing wholesale sales due to WHCT load will increase 2013 wholesale sales by 5.07 GWh (reflecting forecast sales to WHCT of 4.77 GWh plus assumed 6.2% average YECL system losses).
 - **Decrease in forecast 2013 Industrial Sales Revenues** – The decrease in 2013 total revenues at existing rates relates to the following adjustments directed in Order 2013-01 and detailed in Table 2.2 that resulted in a net reduction to the industrial sales forecast.
 - Decreased Forecast Minto Sales Revenues – A \$1.816 million reduction in Minto sales in 2013 due to a material change in the Minto sales forecast relating to a reduction in GRA forecast from 43 GWh to 26 GWh [a 17 GWh reduction in sales in 2013 from forecast].
 - Alexco Demand Correction – A \$0.172 million reduction in revenues due to a correction to the Alexco demand forecast.
 - Whitehorse Copper Tailings (WHCT) – A \$0.608 million reduction in industrial sales revenues in 2013 due to direction that WHCT be served as an industrial customer of YECL.
- **Reduced 2013 Revenue Requirement:** Overall, the estimated approved 2013 revenue requirement of \$42.263 million is \$3.378 million less than proposed in the 2012/2013 Application. Table 2.2 indicates the following required adjustments that impact 2013 as directed by Orders 2013-01 and 2013-03:
 - **Fuel and Purchased Power Expense** – A \$0.087 million increase in fuel expense related to load forecast adjustments directed for 2013, as well as direction to include hydro generation and diesel generation forecasts based on long term average hydro generation.
 - **Operating & Maintenance Expense** – A total \$0.274 million decrease in Non-Fuel O&M expense in 2013 comprised of a \$0.03 million decrease in non-fuel O&M labour

²² Yukon Energy has received an update from YECL (dated March 23, 2013) noting Fish Lake #1 is now estimated to be in service December 2, 2013 with anticipated generation in 2013 of 500,000 kWh. As directed in the Order, this updated information increases forecast wholesale sales by 3.85 GWh for 2013 [4.35 GWh minus 0.5 GWh forecast generation from Fish Lake].

- expense and a \$0.244 million reduction in non-fuel O&M other expense (\$0.190 million reduction in communication expense \$0.049 million reduction in DSM Administration expense and \$0.005 million reduction in annual appropriation to the RFID).
- **Depreciation & Amortization Expense** – A total \$1.409 million decrease in depreciation and amortization expense in 2013.
 - **Rate Base** – A total \$15.053 million reduction in mid-year rate base, reflecting adjustments to deferred cost amortization and impacts on rate base, disallowance of certain capital and deferred costs, and other minor changes.
 - **Return on Rate Base** – A \$1.782 million decrease in return on rate base in 2013 related to reduced rate base²³ and reduced allowed cost of capital, i.e., 52 basis point reduction in return on equity (from 8.77% in Application to 8.25%) and lower cost of new debt (reduced from 5% in Application to 3.58%). The weighted average cost of debt applied to 60% of mid-year rate base is estimated to be reduced by the Order from 3.90% to 3.58% in 2013.
- **Increased 2013 Revenue Shortfall:** The overall effect of the above adjustments is to reduce the 2013 revenue shortfall by \$1.522 million, from a \$7.685 million revenue shortfall in the Application to \$6.163 revenue shortfall in this Compliance Filing.

²³ Reduced rate base accounts for \$0.880 million of the reduction in return.

3.0 TAB 7 REVISED SCHEDULES

The revised schedules from Tab 7 of the Application are attached with adjustments as required by orders 2013-01 and 2013-03, and the attached Reasons for Decision. In addition the following supporting appendices are provided:

- Appendix 3.1 provides Tab 7 schedules with the explanation for adjustments to the 2012 test year; and
- Appendix 3.2 provides Tab 7 schedules the explanation for adjustments to the 2013 test year.

Explanations of the adjustments are provided in Section 1.1 and Section 2 of this Compliance Filing.

Tab 7 Revised Schedules

Yukon Energy Corporation 2012/13 GRA Revised Compliance Filing

June 20, 2013 Refiling

Schedule Index

1	Computation of Rate Base
2	Computation of Allowance for Working Capital
2A	Effect of GST on Working Capital
3	Continuity Schedule of Property, Plant and Equipment
4A	Cost of Capital Calculation - 2009 - 2010 Actuals
4B	Cost of Capital Calculation - 2011 Preliminary Actuals and 2012 Forecast
4C	Cost of Capital Calculation - 2013 Forecast
5	Utility Revenue Requirement
6	Statement of Earnings
7	Statement of Retained Earnings
8	Reconciliation of Utility Income to Net Earnings
9	Summary of Customers, Energy Sales and Revenues
10	Summary of Operating and Maintenance Expenses
11	Summary of Cost of Long - Term Debt

Yukon Energy Corporation
Computation of Rate Base
(\$000s)

Schedule 1
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Property, Plant and Equipment							
2	Year end balance	S.3 L.5	286,660	297,262	378,171	473,017	496,938	520,651
	Deduct:							
3	Accumulated depreciation (note 1)	S.3 L.10	89,221	89,353	95,584	103,288	111,706	120,694
4	Construction-in-progress	S.3 L.11	8,686	20,898	91,851	7,892	6,199	19,798
5	Disallowed assets	S.3 L.12	200	200	200	691	691	691
6	Miscellaneous reserves	S.3 L.13	7,814	7,373	6,782	6,366	6,135	5,904
7	Total deductions		105,921	117,823	194,417	118,236	124,731	147,087
	Add:							
8	Deferred study costs (note 2)	S.3 L.15	22,451	12,374	17,328	22,575	27,148	27,891
9	Less: Studies in Progress	S.3 L.16	(14,526)	(4,584)	(10,543)	(9,276)	(12,406)	(14,742)
10	Other deferred costs	S.3 L.17	121	-	-	-	-	-
11	Accum. Disallowed depreciation	S.3 L.18	78	78	82	86	102	119
12	Total additions		8,124	7,868	6,867	13,385	14,844	13,267
	Net plant in Service							
13	Current year-end balance	S.3 L.20	188,863	187,306	190,621	368,166	387,051	386,831
14	Previous year-end balance		191,305	186,710	187,306	190,621	368,166	387,051
15	Total		380,168	374,016	377,927	558,786	755,217	773,882
16	Mid-year balance		190,084	187,008	188,963	279,393	377,608	386,941
18	Mid-year rate case expense		1,026	966	915	1,393	2,005	1,486
19	Working capital	S.2 L.8	3,193	3,594	3,822	4,151	4,107	4,280
20	Gross Rate Base		194,303	191,568	193,700	284,937	383,721	392,707
	Deduct:							
	Contributions for extensions							
21	Current year-end balance		55,366	57,408	140,896	176,220	182,343	191,243
22	Contributions in WIP		5,000	6,932	90,238	120	2,000	10,500
23	Current year-end balance in-service		50,366	50,476	50,658	176,100	180,343	180,743
24	Accumulated amortization of contributions		4,376	5,179	7,025	9,200	12,736	16,305
25	Net current year-end balance in-service		45,990	45,297	43,633	166,900	167,607	164,438
26	Previous year-end balance		46,680	45,077	45,297	43,633	166,900	167,607
27	Total		92,670	90,374	88,930	210,533	334,507	332,046
28	Mid-year balance		46,335	45,187	44,465	105,267	167,254	166,023
29	Net Rate Base	S.5 L.1	147,968	146,381	149,235	179,671	216,467	226,684

Note 1: Including Reserve for Future Removal and Site Restoration.

Note 2: Planning and Study costs, Relicencing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation
Computation of Allowance for Working Capital
(\$000s)

Schedule 2
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Operating and maintenance	S.5 L.5	13,403	14,765	15,219	18,377	19,074	20,844
2	Taxes other than income	S.5 L.6	256	288	291	297	312	326
3	Non-allowable expenses		(85)	(159)	(133)	(333)	(85)	(85)
4	Cash operating expenses		13,575	14,894	15,377	18,341	19,300	21,085
5	27/365 in 2009 GRA		1,004	1,102	1,137	1,357	1,428	1,560
6	Inventory (three year average)		2,279	2,574	2,644	2,731	2,770	2,830
7	GST Impact on working capital	S.2A L.11	(90)	(81)	41	63	(90)	(110)
8	Working capital	S.1 L.19	<u>3,193</u>	<u>3,594</u>	<u>3,822</u>	<u>4,151</u>	<u>4,107</u>	<u>4,280</u>

Yukon Energy Corporation
Effect of GST on Working Capital
(\$000s)

Schedule 2A
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Expenses subject to GST		25,921	30,134	95,658	111,746	42,482	39,395
2	GST Rate		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3	GST Recoverable		1,296	1,507	4,783	5,587	2,124	1,970
4	Day Factor		14	14	14	14	14	14
5	Recoverable portion of GST impact		50	58	183	214	81	76
6	Revenue subject to GST		31,997	31,708	32,376	34,294	38,850	42,263
7	GST blended rate (2009 GRA)		4.58%	4.58%	4.58%	4.58%	4.58%	4.58%
8	GST payable		1,465	1,452	1,482	1,570	1,779	1,935
9	Day factor		35	35	35	35	35	35
10	Payable portion of GST impact		140	139	142	151	171	186
11	Net impact of GST on working capital	S.2 L.7	(90)	(81)	41	63	(90)	(110)

Yukon Energy Corporation
Continuity Schedule of Property, Plant and Equipment
(\$000s)

Schedule 3
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Property, Plant and Equipment							
2	Balance at beginning of year		277,842	275,268	297,262	378,171	473,017	496,938
3	Net Increases to PPE (Table 5.1)		9,078	22,824	81,827	95,000	23,921	23,713
4	Retirements, disposals and adjustments (note 1)		(260)	(831)	(918)	(153)	-	-
5	Balance at end of year	S.1 L.2	286,660	297,262	378,171	473,017	496,938	520,651
6	Accumulated depreciation (including Future Removal Reserve)							
7	Balance at beginning of year		82,955	83,107	89,353	95,584	103,288	111,706
8	Depreciation expense	S.6 L.7	6,526	7,214	7,369	7,902	8,418	8,989
9	Retirements, disposals and adjustments (note 1)		(260)	(969)	(1,137)	(199)	-	-
10	Balance at end of year		89,221	89,353	95,584	103,288	111,706	120,694
	Deduct:							
11	Construction-in-progress	S.1 L.4	8,686	20,898	91,851	7,892	6,199	19,798
12	Disallowed assets	S.1 L.5	200	200	200	691	691	691
13	Miscellaneous reserves (note 2)	S.1 L.6	7,814	7,373	6,782	6,366	6,135	5,904
14	Total		16,700	28,471	98,833	14,949	13,025	26,393
	Add:							
15	Deferred study costs (note 3)	S.1 L.8	22,451	12,374	17,328	22,575	27,148	27,891
16	Less: Studies in Progress	S.1 L.9	(14,526)	(4,584)	(10,543)	(9,276)	(12,406)	(14,742)
17	Other deferred costs	S.1 L.10	121	-	-	-	-	-
18	Accum. Disallowed depreciation	S.1 L.11	78	78	82	86	102	119
19	Total		8,124	7,868	6,867	13,385	14,844	13,267
20	Net Property, Plant and Equipment	S.1 L.13	188,863	187,306	190,621	368,166	387,051	386,831

Note 1: Largely relate to retirements and disposals, as well as charges against the Reserve for Future Removal and Restoration.

Note 2: Includes Fire Insurance Reserve, Deferred Dewatering Revenues and the Reserve for Injuries and Damages.

Note 3: Planning and Study costs, Relicencing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation
Cost of Capital Calculation
2009 Approved and 2009-2010 Actual
(\$000s)

Schedule 4A
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
2009 Approved							
1	Long-Term debt	S.11 L.18	92,092	60.0%	88,781	6.15%	5,463
2	Common Stock	S.7 L. 8	<u>61,385</u>	<u>40.0%</u>	<u>59,188</u>	<u>8.49%</u>	<u>5,025</u>
3	Total	S.5 L.3	<u>153,477</u>	<u>100.0%</u>	<u>147,969</u>	<u>7.09%</u>	<u>10,488</u>
2009 Actual							
4	Long-Term debt	S.11 L.18	91,288	60.0%	87,897	6.22%	5,464
5	Common Stock	S.7 L. 8	<u>60,740</u>	<u>40.0%</u>	<u>58,484</u>	<u>7.92%</u>	<u>4,631</u>
6	Total	S.5 L.3	<u>152,028</u>	<u>100.0%</u>	<u>146,381</u>	<u>6.90%</u>	<u>10,095</u>
2010 Actual							
7	Long-Term debt	S.11 L.18	89,516	58.6%	87,400	6.38%	5,575
8	Common Stock	S.7 L. 8	<u>63,331</u>	<u>41.4%</u>	<u>61,835</u>	<u>7.45%</u>	<u>4,610</u>
9	Total	S.5 L.3	<u>152,848</u>	<u>100.0%</u>	<u>149,235</u>	<u>6.82%</u>	<u>10,185</u>

Yukon Energy Corporation
Cost of Capital Calculation
2011 Actual and 2012 Forecast
(\$000s)

Schedule 4B
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
2011 Preliminary Actual							
1	Long-Term debt	S.11 L.18	106,222	58.8%	105,621	3.61%	3,811
2	Common Stock	S.7 L. 8	<u>74,470</u>	<u>41.2%</u>	<u>74,049</u>	<u>6.61%</u>	<u>4,893</u>
3	Total	S.5 L.3	<u>180,692</u>	<u>100.0%</u>	<u>179,671</u>	<u>4.84%</u>	<u>8,704</u>
Proposed 2012 - GRA							
7	Long-Term debt	S.11 L.18	130,567	60.0%	129,880	3.27%	4,253
8	Common Stock	S.7 L. 8	<u>87,045</u>	<u>40.0%</u>	<u>86,587</u>	<u>8.25%</u>	<u>7,143</u>
9	Total	S.5 L.3	<u>217,612</u>	<u>100.0%</u>	<u>216,467</u>	<u>5.26%</u>	<u>11,396</u>
Proposed 2013 - GRA							
4	Long-Term debt	S.11 L.18	137,410	60.0%	136,010	3.58%	4,867
5	Common Stock	S.7 L. 8	<u>91,607</u>	<u>40.0%</u>	<u>90,674</u>	<u>8.25%</u>	<u>7,481</u>
6	Total	S.5 L.3	<u>229,017</u>	<u>100.0%</u>	<u>226,684</u>	<u>5.45%</u>	<u>12,348</u>

Yukon Energy Corporation
Utility Revenue Requirement
(\$000s)

Schedule 5
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Net rate base	S.1 L.30	147,968	146,381	149,235	179,671	216,467	226,684
2	Average Rate of return on rate base		7.09%	6.90%	6.82%	4.84%	5.26%	5.45%
3	Utility income	S.8 L.1	10,488	10,095	10,185	8,704	11,396	12,348
4	Utility expenses							
5	Operating and maintenance (note 1)	S.6 L.3	13,403	14,765	15,219	18,377	19,074	20,844
6	Taxes other than income	S.6 L.4	256	288	291	297	312	326
7	Amortization of deferred costs	S.6 L.5	1,707	1,735	1,407	1,447	3,324	3,462
8	Reserve for Injuries and Damages	S.6 L.6	100	100	100	100	226	226
9	Depreciation	S.6 L.7	6,526	7,214	7,369	7,902	8,418	8,989
10	Amortization of contributions and fire insurance recoveries	S.6 L.8	(1,361)	(2,166)	(2,116)	(2,445)	(3,798)	(3,831)
11	Disallowed depreciation		(4)	(4)	(4)	(4)	(16)	(16)
12	Donations		(85)	(94)	(75)	(85)	(85)	(85)
13	Disallowed Expenses (note 2)			(224)				
14	Total utility expenses		<u>20,544</u>	<u>21,614</u>	<u>22,191</u>	<u>25,590</u>	<u>27,454</u>	<u>29,915</u>
15	Revenue Requirement	S.6 L.1	<u>31,031</u>	<u>31,708</u>	<u>32,376</u>	<u>34,294</u>	<u>38,850</u>	<u>42,263</u>

Note 1: Includes fuel expenses and purchased power.

Note 2: 2009 disallowed expenses with respect to 2008/2009 GRA Cost Awards Filing (YUB 2009-11). Other disallowed expenses are included in Regulatory gain/losses (Schedule 6, Line 13).

Yukon Energy Corporation
Statement of Earnings
(\$000s)

Schedule 6
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Revenues (note 1)	S.5 L.15	31,031	31,708	32,376	34,294	38,850	42,263
2	Operating expenses							
3	Operating and maintenance	S.10 L.15	13,403	14,765	15,219	18,377	19,074	20,844
4	Taxes other than income	S.5 L.6	256	288	291	297	312	326
5	Amortize deferred costs	S.5 L.7	1,707	1,735	1,407	1,447	3,324	3,462
6	Reserve for Injuries and Damages	S.5 L.8	100	100	100	100	226	226
7	Depreciation	S.3 L.8	6,526	7,214	7,369	7,902	8,418	8,989
8	Amortization of contributions and fire insurance recoveries	S.5 L.10	(1,361)	(2,166)	(2,116)	(2,445)	(3,798)	(3,831)
9	Total		<u>20,633</u>	<u>21,936</u>	<u>22,270</u>	<u>25,679</u>	<u>27,555</u>	<u>30,016</u>
10	Operating income		10,398	9,773	10,106	8,615	11,295	12,247
11	Other income							
12	Allowed for Funds Used	S.8 L.2	798	392	514	555	500	500
13	Miscellaneous (note 2)	S.8 L.3	(155)	1,099	1,163	61	(49)	(23)
14	Total		<u>643</u>	<u>1,491</u>	<u>1,677</u>	<u>616</u>	<u>451</u>	<u>477</u>
15	Other expenses							
16	Interest expense	S.8 L.4	5,665	6,893	7,006	4,278	4,276	4,917
17	Total		<u>5,665</u>	<u>6,893</u>	<u>7,006</u>	<u>4,278</u>	<u>4,276</u>	<u>4,917</u>
18	Net earnings	S.8 L.8	<u>5,377</u>	<u>4,370</u>	<u>4,777</u>	<u>4,953</u>	<u>7,470</u>	<u>7,807</u>

Note 1: Includes revenues from sales, non-operating revenues and other revenues. 2009 revenues also include the Faro Dewatering transfer.

Note 2: Miscellaneous primarily consistent of Regulatory gain/losses and other interest income/expenses.

Yukon Energy Corporation
Statement of Retained Earnings
(\$000s)

Schedule 7
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Balance at beginning of year		22,048	21,536	21,943	26,720	29,621	37,269
	Add:							
2	Net earnings	S.6 L.18	5,377	4,370	4,777	4,953	7,470	7,807
3			<u>27,425</u>	<u>25,906</u>	<u>26,720</u>	<u>31,674</u>	<u>37,090</u>	<u>45,076</u>
	Less:							
4	Common Dividends/(Injection) (note 1)		<u>4,704</u>	<u>3,963</u>	<u>-</u>	<u>2,053</u>	<u>(179)</u>	<u>6,332</u>
5	Balance at end of year		<u>22,721</u>	<u>21,943</u>	<u>26,720</u>	<u>29,621</u>	<u>37,269</u>	<u>38,744</u>
	Shareholder's Equity							
6	Common shares		39,000	39,000	39,000	53,600	53,600	53,600
7	Retained earnings		<u>22,721</u>	<u>21,943</u>	<u>26,720</u>	<u>29,621</u>	<u>37,269</u>	<u>38,744</u>
8	Total		<u>61,721</u>	<u>60,943</u>	<u>65,720</u>	<u>83,221</u>	<u>90,869</u>	<u>92,344</u>

Note:

1. YDC equity injection required in order to maintain 60/40 debt to equity ratio.

Yukon Energy Corporation
Reconciliation of Utility Income to Net Earnings
(\$000s)

Schedule 8
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Utility Income (Return on Rate Base)	S.5 L.3	10,488	10,095	10,185	8,704	11,396	12,348
	Add:							
2	Allowance for funds used	S.6 L.13	798	392	514	555	500	500
3	Other income (expenses)	S.6 L.14	(155)	1,099	1,163	61	(49)	(23)
			<u>11,131</u>	<u>11,585</u>	<u>11,862</u>	<u>9,320</u>	<u>11,847</u>	<u>12,825</u>
	Less:							
4	Interest - long-term	S.6 L.17	5,665	6,893	7,006	4,278	4,276	4,917
5	Donations	S.5 L.12	85	94	75	85	85	85
6	Disallowed costs	S.5 L.13	-	224	-	-	-	-
7	Disallowed depreciation	S.5 L.11	4	4	4	4	16	16
			<u>5,754</u>	<u>7,215</u>	<u>7,085</u>	<u>4,367</u>	<u>4,377</u>	<u>5,019</u>
8	Net earnings	S.6 L.18	5,378	4,370	4,777	4,953	7,470	7,807
9	Adjustments to Net earnings (note 1)			(241)				
10	Net earnings per financial statements			<u>4,129</u>	<u>4,777</u>			

Note 1:

1. Adjustments to the net earnings reflect the impact of YUB 2009-8 (\$0.375 million secondary sales revenues: decrease in 2009 and increase in 2008; \$0.026 million transfer from deferred Dewatering revenues: decrease in 2009 and increase in 2008; \$0.4 million rate case amortization expense: decrease in 2009 and increase in 2008; \$0.05 million RFID: decrease in 2009 and increase in 2008; \$0.192 million fuel cost: decrease in 2009 and increase in 2008)

Yukon Energy Corporation
Summary of Customers, Energy Sales and Revenues
(\$000s)

Schedule 9
June 20, 2013 Refiling

Line No.	Description	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
1	Residential						
2	Customers	1,432	1,457	1,472	1,515	1,526	1,536
3	Sales in MWh	11,183	11,676	11,386	12,710	12,325	12,408
4	MWh sales per customer	8	8	8	8	8	8
5	Revenue (\$000s)	1,335	1,386	1,359	1,694	1,803	1,815
6	Cents per KWh	11.94	11.87	11.94	13.33	14.63	14.63
7	General Service						
8	Customers	457	442	455	464	460	467
9	Sales in MWh	19,543	19,672	22,719	21,305	21,693	22,620
10	MWh sales per customer	43	45	50	46	47	48
11	Revenue (\$000s)	2,637	2,696	2,942	3,218	3,582	3,735
12	Cents per KWh	13.49	13.70	12.95	15.10	16.51	16.51
13	Industrial						
14	Sales in MWh	29,023	29,355	30,255	43,259	42,783	40,592
15	Revenue (\$000s)	3,203	3,190	3,311	4,599	4,955	4,787
16	Cents per KWh	11	11	11	11	12	11.79
17	Street lights						
18	Sales in MWh	278	496	283	283	279	279
19	Revenue (\$000s)	71	60	74	82	88	88
20	Cents per KWh	25.63	12.07	26.26	29.02	31.55	31.55
21	Space lights						
22	Sales in MWh	15	26	14	14	15	15
23	Revenue (\$000s)	3	3	3	3	4	4
24	Cents per KWh	21.54	12.03	21.73	23.96	26.76	26.76
25	Total Company - Firm Retail and Industrial						
26	Customers	1,889	1,899	1,927	1,979	1,986	2,003
27	Sales in MWh	60,042	61,225	64,658	77,571	77,094	75,913
28	Revenue (\$000s)	7,249	7,335	7,689	9,596	10,432	10,429
29	Cents per KWh	12.07	11.98	11.89	12.37	13.53	13.74
30	Wholesale sales						
31	Sales in MWh	267,747	267,229	276,345	290,541	296,000	307,147
32	Revenue (\$000s)	18,314	18,279	18,902	21,940	24,562	25,487
33	Cents per KWh	6.84	6.84	6.84	7.55	8.30	8.30
34	Total Company - Firm						
35	Sales in MWh	327,789	328,455	341,003	368,112	373,094	383,061
36	Revenue (\$000s)	25,563	25,613	26,591	31,535	34,994	35,916
37	Cents per KWh	7.80	7.80	7.80	8.57	9.38	9.38
38	Secondary						
39	Sales in MWh	7,584	17,384	10,489	552	0	0
40	Revenue (\$000s)	470	1,066	644	46	0	0
41	Cents per KWh	6.20	6.13	6.14	8.30		
42	Total Company						
43	Sales in MWh	335,373	345,839	351,492	368,665	373,094	383,061
44	Revenue (\$000s)	26,033	26,679	27,234	31,581	34,994	35,916
45	Cents per KWh	7.76	7.71	7.75	8.57	9.38	9.38
46	Rider J	4,518	4,493	4,944	2,466		
47	Post-GRA Reconcil Req'd	355	355				
48	GRA Increase Req'd					3,672	6,163
49	Total Sales of Power	30,906	31,527	32,178	34,047	38,666	42,079
50	Other Revenues	125	181	198	247	184	184
51	Total Revenues	31,031	31,708	32,376	34,294	38,850	42,263

Yukon Energy Corporation
Summary of Operating and Maintenance Expenses
(\$000s)

Schedule 10
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013	
1	Utility operations								
2	Production		2,977	3,759	4,179	4,472	4,452	4,494	
3	Transmission and distribution		1,793	1,868	1,383	1,767	1,970	2,112	
4	General		952	1,145	1,194	1,336	1,339	1,405	
5	Administration and general		6,148	6,453	6,418	7,197	8,076	8,654	
6	Insurance		952	787	787	774	835	895	
7	Sub-total		<u>12,822</u>	<u>14,012</u>	<u>13,962</u>	<u>15,547</u>	<u>16,673</u>	<u>17,559</u>	
8	Donations		85	94	75	85	85	85	
9	Sub-total		<u>85</u>	<u>94</u>	<u>75</u>	<u>85</u>	<u>85</u>	<u>85</u>	
10	O&M not including fuel and								
11	purchased power		<u>12,907</u>	<u>14,106</u>	<u>14,037</u>	<u>15,632</u>	<u>16,758</u>	<u>17,644</u>	
12	Fuel		443	622	1,145	2,708	2,276	3,160	
13	Purchased power		54	36	38	38	40	40	
14	Sub-total		<u>497</u>	<u>658</u>	<u>1,183</u>	<u>2,746</u>	<u>2,316</u>	<u>3,200</u>	
15	Total operating and maintenance	S.6 L.3	<u>13,403</u>	<u>14,764</u>	<u>15,220</u>	<u>18,377</u>	<u>19,074</u>	<u>20,844</u>	
	Operating and Maintenance Expense Reported in Tab 3 excludes fuel and purchase power, but also includes the follo								
16	Reserve for Injuries and Damages		100	100	100	100	226	226	
17	Property Taxes		256	288	291	297	312	326	
18	less: Donations		-85	-94	-75	-85	-85	-85	
19	O&M per Table 3.3 (Tab 3)		<u>13,178</u>	<u>14,401</u>	<u>14,353</u>	<u>15,943</u>	<u>17,210</u>	<u>18,111</u>	

Note: 2009 actuals reflect the impact of YUB Order 2009-8 (Note 1, Schedule 8).

Yukon Energy Corporation
Summary of Cost of Long - Term Debt
(\$000s)

Schedule 11
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2009 Approved	Actual 2009	Actual 2010	Prelim. Actual 2011	Proposed 2012	Proposed 2013
General Purpose Long-Term Debt Balance								
1	Canada Flexible Term Note		25,126	25,111	24,111			
2	TD Canada Trust (4.02%)		6,471	6,471	5,724	4,891	3,938	2,945
3	YDC Loan (4.25%)					78,891	75,891	72,891
4	Mayo B Flexible Term Note					21,900	21,563	21,226
5	New YDC Loan - 2011 (3.69%)	1				19,148	18,464	17,780
6	New YDC Loan (3.97%)						16,448	15,900
7	New YDC Loan (3.58%)							7,774
8	YDC Loan #12 (5.88%)		22,493	22,493	20,887			
9	YDC Loan #13 (6.03%)		3,649	3,649	3,649			
10	YDC Loan #14 (5.40%)		2,841	2,839	2,839			
11	YDC Mayo-Dawson Note (6.55%)		15,157	15,157	14,707			
12	YDC Loan #15 (5.34%)		3,585	3,583	3,583			
13	YDC Loan #16 (5.28%)		4,251	4,251	4,251			
14	YDC Loan #17 (5.28%)	2	4,304	3,901	3,901			
15	YDC Loan #18 (5.28%)		4,704	3,963	3,963			
16	Current year-end balance		92,581	91,418	87,614	124,830	136,304	138,516
17	Previous year-end balance		91,602	91,159	91,418	87,614	124,830	136,304
18	Mid Year		92,092	91,288	89,516	106,222	130,567	137,410
Interest Costs								
19	Canada Flexible Term Note		1,726	1,742	1,758			
20	TD Canada Trust (4.02%)		535	535	479	371	180	140
21	YDC Loan (4.25%)					3,461	3,371	3,225
22	Mayo B Flexible Term Note						11	212
23	New YDC Loan - 2011 (3.69%)						714	687
24	New YDC Loan (3.97%)							653
25	New YDC Loan (3.58%)							
26	YDC Loan #12 (5.88%)		1,393	1,382	1,277			
27	YDC Loan #13 (6.03%)		220	220	220			
28	YDC Loan #14 (5.40%)		153	153	153			
29	YDC Mayo-Dawson Note (6.55%)		1,022	1,022	993			
30	YDC Loan #15 (5.34%)		191	191	191			
31	YDC Loan #16 (5.28%)		224	224	224			
32	YDC Loan #17 (5.28%)		200	206	206			
33	YDC Loan #18 (5.28%)				209			
34	Minto Diesel		155					
35	Total Cost of Interest		5,820	5,675	5,710	3,833	4,276	4,917
36	Mid-Year Cost of Debt		6.15%	6.22%	6.38%	3.61%	3.27%	3.58%

Note:

1. New YDC loan in 2011 includes of \$19.148 million includes YDC loan of \$17.095 million with interest rate of 3.69% due in December 31, 2036 and YDC unsecured advance of \$2.053 million at interest rate of 3.97%.

2. The interest rate of 5.28% is for column "2009 Approved", 2009-2010 actual interest rate is 4.65%.

Appendix 3.1

**Yukon Energy Corporation 2012/13 GRA Revised Compliance Filing
Adjustments to 2012 test year**

June 20, 2013 Refiling

Schedule Index

1	Computation of Rate Base
2	Computation of Allowance for Working Capital
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3	Continuity Schedule of Property, Plant and Equipment
4	Cost of Capital Calculation - 2012 Forecast
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8	Reconciliation of Utility Income to Net Earnings
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11	Summary of Cost of Long - Term Debt

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Computation of Rate Base
(\$000s)

Schedule 1
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012		Explanation
			Original Filing	Adjustment	
1	Property, Plant and Equipment				
2	Year end balance	S.3 L.5	496,938	-	496,938
	Deduct:				
3	Accumulated depreciation (note 1)	S.3 L.10	111,706	-	111,706
4	Construction-in-progress	S.3 L.11	6,199	-	6,199
5	Disallowed assets	S.3 L.12	200	491	691
6	Miscellaneous reserves	S.3 L.13	6,140	(5)	6,135
7	Total deductions		<u>124,244</u>	<u>486</u>	<u>124,731</u>
	Add:				
8	Deferred study costs (note 2)	S.3 L.15	27,178	(30)	27,148
9	Less: Studies in Progress	S.3 L.16	(2,169)	(10,237)	(12,406)
10	Other deferred costs	S.3 L.17	-	-	-
11	Accum. Disallowed depreciation	S.3 L.18	90	12	102
12	Total additions		<u>25,099</u>	<u>(10,255)</u>	<u>14,844</u>
	Net plant in Service				
13	Current year-end balance	S.3 L.20	397,792	(10,741)	387,051
14	Previous year-end balance		368,508	(343)	368,166
15	Total		<u>766,301</u>	<u>(11,084)</u>	<u>755,217</u>
16	Mid-year balance		383,150	(5,542)	377,608
18	Mid-year rate case expense		3,006	(1,001)	2,005
19	Working capital	S.2 L.8	4,118	(10)	4,107
20	Gross Rate Base		<u>390,274</u>	<u>(6,553)</u>	<u>383,721</u>
	Deduct:				
	Contributions for extensions				
21	Current year-end balance		182,343	-	182,343
22	Contributions in WIP		2,000	-	2,000
23	Current year-end balance in-service		180,343	-	180,343
24	Accumulated amortization of contributions		12,736	-	12,736
25	Net current year-end balance in-service		<u>167,607</u>	<u>-</u>	<u>167,607</u>
26	Previous year-end balance		166,900	-	166,900
27	Total		<u>334,507</u>	<u>-</u>	<u>334,507</u>
28	Mid-year balance		<u>167,254</u>	<u>-</u>	<u>167,254</u>
29	Net Rate Base	S.5 L.1	<u>223,020</u>	<u>(6,553)</u>	<u>216,467</u>

Note 1: Including Reserve for Future Removal and Site Restoration

Note 2: Planning and Study costs, Relicensing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Computation of Allowance for Working Capital
(\$000s)

Schedule 2
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012		Compliance Filing	Explanation
			Original Filing	Adjustment		
1	Operating and maintenance	S.5 L.5	19,241	(168)	19,074	\$113 thousand Fuel expense adjustment (paragraph 60, 68), - \$30 thousand YDC labour cost allocation (paragraph 72), - \$201 thousand Communication expense (paragraph 134) and \$49 thousand DSM Administration (paragraph 367).
2	Taxes other than income	S.5 L.6	312	-	312	
3	Non-allowable expenses		<u>(85)</u>	<u>-</u>	<u>(85)</u>	
4	Cash operating expenses		19,468	(168)	19,300	
5	27/365 in 2009 GRA		1,440	- 12	1,428	Impact of the above changes.
6	Inventory (three year average)		2,770	-	2,770	
7	GST Impact on working capital	S.2A L.11	<u>(92)</u>	<u>2</u>	<u>(90)</u>	Impact of the above changes.
8	Working capital	S.1 L.19	<u>4,118</u>	<u>- 10</u>	<u>4,107</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Effect of GST on Working Capital
(\$000s)

Schedule 2A
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Expenses subject to GST		43,079	(598)	42,482	Changes in O&M expenses, disallowed District Heat cost for 2012.
2	GST Rate		<u>5.00%</u>	<u>0%</u>	<u>5.00%</u>	
3	GST Recoverable		2,154	(30)	2,124	Impact of the above changes.
4	Day Factor		<u>14</u>	<u>-</u>	<u>14</u>	
5	Recoverable portion of GST impact		<u>83</u>	<u>(2)</u>	<u>81</u>	Impact of the above changes.
6	Revenue subject to GST		39,857	(1,007)	38,850	Please see Schedule 5, Line 15
7	GST blended rate (2009 GRA)		<u>4.58%</u>	<u>0%</u>	<u>4.58%</u>	
8	GST payable		1,825	(46)	1,779	Impact of the above changes.
9	Day factor		<u>35</u>	<u>-</u>	<u>35</u>	
10	Payable portion of GST impact		<u>175</u>	<u>(4)</u>	<u>171</u>	Impact of the above changes.
11	Net impact of GST on working capital	S.2 L.7	<u>(92)</u>	<u>2</u>	<u>(90)</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Continuity Schedule of Property, Plant and Equipment
(\$000s)

Schedule 3
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Property, Plant and Equipment					
2	Balance at beginning of year		473,017	-	473,017	
3	Net Increases to PPE (Table 5.1)		23,921	-	23,921	
4	Retirements, disposals and adjustments (note 1)		-		-	
5	Balance at end of year	S.1 L.2	496,938	-	496,938	
6	Accumulated depreciation (including Future Removal Reserve)					
7	Balance at beginning of year		103,288	-	103,288	
8	Depreciation expense	S.6 L.7	8,418	-	8,418	
9	Retirements, disposals and adjustments (note 1)		-		-	
10	Balance at end of year		111,706	-	111,706	
	Deduct:					
11	Construction-in-progress	S.1 L.4	6,199	-	6,199	
12	Disallowed assets	S.1 L.5	200	491	691	Minto diesel SCADA disallowed cost (Paragraph 324).
13	Miscellaneous reserves (note 2)	S.1 L.6	6,140	(5)	6,135	Due to RFID annual appropriation change (Paragraph 168).
14	Total		12,539		13,025	
	Add:					
15	Deferred study costs (note 3)	S.1 L.8	27,178	(30)	27,148	Western Copper cost stays in WIP; DD2 Engine Overhaul cost of \$178 thousand closed out in 2011 and amortized over 5 years.
16	Less: Studies in Progress	S.1 L.9	(2,169)	(10,237)	(12,406)	Marsh Lake and Gladstone cost stay in WIP (Paragraph 337 & 344) - \$7.924M; 2012 spending for <\$1 million deferred projects stay in WIP \$2.313M (Paragraph 398).
17	Other deferred costs	S.1 L.10	-	-	-	
18	Accum. Disallowed depreciation	S.1 L.11	90	12	102	Amortization of Minto diesel SCADA disallowed cost (Paragraph 324).
19	Total		25,099	(10,255)	14,844	Impact of the above changes.
20	Net Property, Plant and Equipment	S.1 L.13	397,792	(10,741)	387,051	Impact of the above changes.

Note 1: Largely relate to retirements and disposals, as well as charges against the Reserve for Future Removal and Restoration.

Note 2: Includes Fire Insurance Reserve, Deferred Dewatering Revenues and the Reserve for Injuries and Damages

Note 3: Planning and Study costs, Relicensing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Cost of Capital Calculation
2009 Approved and 2009-2010 Actual
(\$000s)

Schedule 4
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
2012 Original Filing							
1	Long-Term debt	S.11 L.18	133,821	60.0%	133,812	3.38%	4,521
2	Common Stock	S.7 L. 8	<u>89,215</u>	<u>40.0%</u>	<u>89,209</u>	<u>8.77%</u>	<u>7,823</u>
3	Total	S.5 L.3	<u>223,036</u>	<u>100.0%</u>	<u>223,020</u>	<u>5.54%</u>	<u>12,345</u>
Adjustment							
4	Long-Term debt	S.11 L.18	-3,254	0.0%	-3,932	-0.10%	-268
5	Common Stock	S.7 L. 8	<u>-2,170</u>	<u>0.0%</u>	<u>-2,622</u>	<u>-0.52%</u>	<u>-680</u>
6	Total	S.5 L.3	<u>-5,424</u>	<u>0.0%</u>	<u>0</u>	<u>-0.27%</u>	<u>-948</u>
2012 Compliance Filing							
7	Long-Term debt	S.11 L.18	130,567	60.0%	129,880	3.27%	4,253
8	Common Stock	S.7 L. 8	<u>87,045</u>	<u>40.0%</u>	<u>86,587</u>	<u>8.25%</u>	<u>7,143</u>
9	Total	S.5 L.3	<u>217,612</u>	<u>100.0%</u>	<u>216,467</u>	<u>5.26%</u>	<u>11,396</u>

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Utility Revenue Requirement
(\$000s)

Schedule 5
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Net rate base	S.1 L.20	223,020	(6,553)	216,467	Please see Schedule 1 Line 20
2	Average Rate of return on rate base		5.54%	-0.27%	5.26%	Please see Schedule 4A Line 6
3	Utility income	S.8 L.1	12,345	(948)	11,396	Please see Schedule 4A Line 6
4	Utility expenses					
5	Operating and maintenance (note 1)	S.6 L.3	19,241	(168)	19,074	Please see Schedule 2 Line 1
6	Taxes other than income	S.6 L.4	312	-	312	
7	Amortization of deferred costs	S.6 L.5	3,198	126	3,324	-\$6 thousand for Western Copper - Aerial Photo Mapping, \$97 thousand for Rate Case deferred cost amortization, \$36 thousand for Deferred Overhauls amortization
8	Reserve for Injuries and Damages	S.6 L.6	231	(5)	226	Due to RFID annual appropriation change (Paragraph 168).
9	Depreciation	S.6 L.7	8,418	-	8,418	
10	Amortization of contributions and fire insurance recoveries	S.6 L.8	(3,798)	-	(3,798)	
11	Disallowed depreciation		(4)	(12)	(16)	Minto diesel SCADA disallowed cost (Paragraph 324).
12	Donations		(85)	-	(85)	
13	Disallowed Expenses			-		
14	Total utility expenses		<u>27,512</u>	<u>(59)</u>	<u>27,454</u>	Impact of the above changes.
15	Revenue Requirement	S.6 L.1	<u>39,857</u>	<u>- 1,007</u>	<u>38,850</u>	Impact of the above changes.

Note 1: Includes fuel expenses and purchased power.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Statement of Earnings
(\$000s)

Schedule 6
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Revenues (note 1)	S.5 L.15	39,857	(1,007)	38,850	Please see Schedule 5 Line 15
2	Operating expenses					
3	Operating and maintenance	S.10 L.15	19,241	(168)	19,074	Please see Schedule 2 Line 1
4	Taxes other than income	S.5 L.6	312	-	312	
5	Amortize deferred costs	S.5 L.7	3,198	126	3,324	Please see Schedule 5 Line 7
6	Reserve for Injuries and Damages	S.5 L.8	231	(5)	226	Due to RFID annual appropriation change (Paragraph 168).
7	Depreciation	S.3 L.8	8,418	-	8,418	
8	Amortization of contributions and fire insurance recoveries	S.5 L.10	(3,798)	-	(3,798)	
9	Total		<u>27,601</u>	<u>-46</u>	<u>27,555</u>	Impact of the above changes.
10	Operating income		12,256	(960)	11,295	Impact of the above changes.
11	Other income					
12	Allowed for Funds Used	S.8 L.2	500	-	500	
13	Miscellaneous (note 2)	S.8 L.3	(49)	-	(49)	
14	Total		<u>451</u>	<u>-</u>	<u>451</u>	
15	Other expenses					
16	Interest expense	S.8 L.4	4,522	(246)	4,276	Please see Schedule 11 Line 35
17	Total		<u>4,522</u>	<u>(246)</u>	<u>4,276</u>	
18	Net earnings	S.8 L.8	<u>8,185</u>	<u>- 715</u>	<u>7,470</u>	Impact of the above changes.

Note 1: Includes revenues from sales, non-operating revenues and other revenues.

Note 2: Miscellaneous primarily consistent of Regulatory gain/losses and other interest income/expenses.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Statement of Retained Earnings
(\$000s)

Schedule 7
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012		Compliance Filing	Explanation
			Original Filing	Adjustment		
1	Balance at beginning of year		29,621	-	29,621	
	Add:					
2	Net earnings	S.6 L.18	8,185	(715)	7,470	Please see Schedule 6 Line 18
3			<u>37,805</u>	<u>(715)</u>	<u>37,091</u>	
	Less:					
4	Common Dividends/(Injection) (note 1)		(3,804)	3,625	(179)	Required change in order to maintain 60/40 debt to equity ratio.
5	Balance at end of year		<u>41,609</u>	<u>- 4,340</u>	<u>37,270</u>	Impact of the above changes.
	Shareholder's Equity					
6	Common shares		53,600	-	53,600	
7	Retained earnings		<u>41,609</u>	<u>(4,340)</u>	<u>37,270</u>	Impact of the above changes.
8	Total		<u>95,209</u>	<u>(4,340)</u>	<u>90,870</u>	

Note:

1. YDC equity injection required in order to maintain 60/40 debt to equity ratio.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Reconciliation of Utility Income to Net Earnings
(\$000s)

Schedule 8
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Utility Income (Return on Rate Base)	S.5 L.3	12,345	(948)	11,396	Please see Schedule 5 Line 3
	Add:					
2	Allowance for funds used	S.6 L.13	500	-	500	
3	Other income (expenses)	S.6 L.14	(49)	-	(49)	
			<u>12,795</u>	<u>(948)</u>	<u>11,847</u>	Impact of the above changes.
	Less:					
4	Interest - long-term	S.6 L.17	4,522	(246)	4,276	Please see Schedule 11 Line 35
5	Donations	S.5 L.12	85	-	85	
6	Disallowed costs	S.5 L.13	-	-	-	
7	Disallowed depreciation	S.5 L.11	4	12	16	Please see Schedule 5 Line 11
			<u>4,611</u>	<u>(233)</u>	<u>4,377</u>	
8	Net earnings	S.6 L.18	8,185	(715)	7,470	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Customers, Energy Sales and Revenues
(\$000s)

Schedule 9
June 20, 2013 Refiling

Line No.	Description	2012		Compliance Filing	Explanation
		Original Filing	Adjustment		
1	Residential				
2	Customers	1,526	0	1,526	
3	Sales in MWh	12,325	0	12,325	
4	MWh sales per customer	8	0	8	
5	Revenue (\$000s)	1,803	0	1,803	
6	Cents per KWh	14.63	0.00	14.63	
7	General Service				
8	Customers	460	0	460	
9	Sales in MWh	21,693	0	21,693	
10	MWh sales per customer	47	0	47	
11	Revenue (\$000s)	3,582	0	3,582	
12	Cents per KWh	16.51	0.00	16.51	
13	Industrial				
14	Sales in MWh	52,309	-9,526	42,783	Minto load reduction from 39.25 GW.h to 29.72 GW.h
15	Revenue (\$000s)	6,179	-1,224	4,955	Minto load reduction -\$1.024 million, Alexco demand revenue forecast correction -\$0.230 million, demand revenue forecast correction \$30 thousand.
16	Cents per KWh	11.81	-0.23	11.58	
17	Street lights				
18	Sales in MWh	279	0	279	
19	Revenue (\$000s)	88	0	88	
20	Cents per KWh	31.55	0.00	31.55	
21	Space lights				
22	Sales in MWh	15	0	15	
23	Revenue (\$000s)	4	0	4	
24	Cents per KWh	26.76	0.00	26.76	
25	Total Company - Firm Retail and Industrial				
26	Customers	1,986	0	1,986	
27	Sales in MWh	86,621	-9,526	77,094	Impact of the above changes.
28	Revenue (\$000s)	11,656	-1,224	10,432	Impact of the above changes.
29	Cents per KWh	13.46	0.08	13.53	
30	Wholesale sales				
31	Sales in MWh	296,000	0	296,000	
32	Revenue (\$000s)	24,562	0	24,562	
33	Cents per KWh	8.30	0.00	8.30	
34	Total Company - Firm				
35	Sales in MWh	382,621	-9,526	373,094	Impact of the above changes.
36	Revenue (\$000s)	36,218	-1,224	34,994	Impact of the above changes.
37	Cents per KWh	9.47	-0.09	9.38	
38	Secondary				
39	Sales in MWh	0	0	0	
40	Revenue (\$000s)	0	0	0	
41	Cents per KWh				
42	Total Company				
43	Sales in MWh	382,621	-9,526	373,094	Impact of the above changes.
44	Revenue (\$000s)	36,218	-1,224	34,994	Impact of the above changes.
45	Cents per KWh	9.47	-0.09	9.38	
46	Rider J				
47	Post-GRA Reconcil Req'd				
48	GRA Increase Req'd	3,455	217	3,672	GRA required rate increase change (please see Table 1.1 in Compliance filing)
49	Total Sales of Power	39,673	-1,007	38,666	Impact of the above changes.
50	Other Revenues	184	0	184	
51	Total Revenues	39,857	-1,007	38,850	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Operating and Maintenance Expenses
(\$000s)

Schedule 10
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Utility operations					
2	Production		4,452	0	4,452	
3	Transmission and distribution		1,970	0	1,970	
4	General		1,339	0	1,339	
5	Administration and general		8,357	-280	8,076	-\$30 thousand YDC labour cost allocation (paragraph 72), -\$201 thousand Communication expense (paragraph 134) and -\$49 thousand DSM Administration (paragraph 367)
6	Insurance		835	0	835	
7	Sub-total		<u>16,953</u>	<u>-280</u>	<u>16,673</u>	
8	Donations		85	0	85	
9	Sub-total		<u>85</u>	<u>0</u>	<u>85</u>	
10	O&M not including fuel and					
11	purchased power		<u>17,038</u>	<u>-280</u>	<u>16,758</u>	
12	Fuel		2,163	113	2,276	\$113 thousand Fuel expense adjustment (paragraphs 60 and 68)
13	Purchased power		40	0	40	
14	Sub-total		<u>2,203</u>	<u>113</u>	<u>2,316</u>	
15	Total operating and maintenance	S.6 L.3	<u>19,241</u>	<u>-168</u>	<u>19,074</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Cost of Long - Term Debt
(\$000s)

Schedule 11
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2012		Compliance Filing	Explanation
			Original Filing	Adjustment		
General Purpose Long-Term Debt Balance						
1	Canada Flexible Term Note					
2	TD Canada Trust		3,938	0	3,938	
3	YDC Loan		75,891	0	75,891	
4	Mayo B Flexible Term Note		21,563	0	21,563	
5	New YDC Loan 2011		18,510	-46	18,464	Updated for 2011 actual long-term debt amortization period
6	New YDC Loan 2012		22,911	-6,463	16,448	Required change in order to maintain 60/40 debt to equity ratio.
7	New YDC Loan 2013			0	0	
8	YDC Loan #12 (5.88%)					
9	YDC Loan #13 (6.03%)					
10	YDC Loan #14 (5.40%)					
11	YDC Mayo-Dawson Note (6.55%)					
12	YDC Loan #15 (5.34%)					
13	YDC Loan #16 (5.28%)					
14	YDC Loan #17 (5.28%)					
15	YDC Loan #18 (5.28%)					
16	Current year-end balance		142,813	-6,509	136,304	Impact of the above changes.
17	Previous year-end balance		124,830	0	124,830	
18	Mid Year		133,821	-3,254	130,567	Impact of the above changes.
Interest Costs						
19	Canada Flexible Term Note		0	0	0	
20	TD Canada Trust		180	0	180	
21	YDC Loan		3,371	0	3,371	
22	Mayo B Flexible Term Note		11	0	11	
23	New YDC Loan 2011		960	-246	714	Updated for 2011 actual long-term debt interest rate
24	New YDC Loan 2012		0	0	0	
25	New YDC Loan 2013					
26	YDC Loan #12 (5.88%)					
27	YDC Loan #13 (6.03%)					
28	YDC Loan #14 (5.40%)					
29	YDC Mayo-Dawson Note (6.55%)					
30	YDC Loan #15 (5.34%)					
31	YDC Loan #16 (5.28%)					
32	YDC Loan #17 (5.28%)					
33	YDC Loan #18 (5.28%)					
34	Minto Diesel					
35	Total Cost of Interest		4,522	-246	4,276	Impact of the above changes.
36	Mid-Year Cost of Debt		3.38%	-0.10%	3.27%	Impact of the above changes.

Appendix 3.2

**Yukon Energy Corporation 2012/13 GRA Revised Compliance Filing
Adjustments to 2013 test year**

June 20, 2013 Refiling

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1	Computation of Rate Base
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Yukon Energy Corporation 2012/13 GRA Compliance Filing
Computation of Rate Base
(\$000s)

Schedule 1
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013		Explanation
			Original Filing	Adjustment	
1	Property, Plant and Equipment				
2	Year end balance	S.3 L.5	520,651	-	520,651
	Deduct:				
3	Accumulated depreciation (note 1)	S.3 L.10	120,694	-	120,694
4	Construction-in-progress	S.3 L.11	19,798	-	19,798
5	Disallowed assets	S.3 L.12	200	491	691
6	Miscellaneous reserves	S.3 L.13	5,914	(10)	5,904
7	Total deductions		146,606	481	147,087
	Add:				
8	Deferred study costs (note 2)	S.3 L.15	27,207	684	27,891
9	Less: Studies in Progress	S.3 L.16	-	(14,742)	(14,742)
10	Other deferred costs	S.3 L.17	-	-	-
11	Accum. Disallowed depreciation	S.3 L.18	94	25	119
12	Total additions		27,301	(14,034)	13,267
	Net plant in Service				
13	Current year-end balance	S.3 L.20	401,346	(14,515)	386,831
14	Previous year-end balance		397,792	(10,741)	387,051
15	Total		799,138	(25,256)	773,882
16	Mid-year balance		399,569	(12,628)	386,941
18	Mid-year rate case expense		3,911	(2,425)	1,486
19	Working capital	S.2 L.8	4,280	(0)	4,280
20	Gross Rate Base		407,761	(15,054)	392,707
	Deduct:				
	Contributions for extensions				
21	Current year-end balance		191,243	-	191,243
22	Contributions in WIP		10,500	-	10,500
23	Current year-end balance in-service		180,743	-	180,743
24	Accumulated amortization of contributions		16,305	-	16,305
25	Net current year-end balance in-service		164,438	-	164,438
26	Previous year-end balance		167,607	-	167,607
27	Total		332,046	-	332,046
28	Mid-year balance		166,023	-	166,023
29	Net Rate Base	S.5 L.1	241,738	(15,054)	226,684

Note 1: Including Reserve for Future Removal and Site Restoration

Note 2: Planning and Study costs, Relicensing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Computation of Allowance for Working Capital
(\$000s)

Schedule 2
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013		Compliance Filing	Explanation
			Original Filing	Adjustment		
1	Operating and maintenance	S.5 L.5	21,026	(182)	20,844	\$87 thousand Fuel expense adjustment (paragraph 60, 68), - \$30 thousand YDC labour cost allocation (paragraph 72), - \$190 thousand Communication expense (paragraph 134) and -\$49 thousand DSM Administration (paragraph 367).
2	Taxes other than income	S.5 L.6	326	-	326	
3	Non-allowable expenses		<u>(85)</u>	<u>-</u>	<u>(85)</u>	
4	Cash operating expenses		21,267	(182)	21,085	
5	27/365 in 2009 GRA		1,573	- 13	1,560	Impact of the above changes.
6	Inventory (three year average)		2,830	-	2,830	
7	GST Impact on working capital	S.2A L.11	<u>(123)</u>	<u>13</u>	<u>(110)</u>	Impact of the above changes.
8	Working capital	S.1 L.19	<u>4,280</u>	<u>- 0</u>	<u>4,280</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Effect of GST on Working Capital
(\$000s)

Schedule 2A
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Expenses subject to GST		40,047	(652)	39,395	Changes in O&M expenses, disallowed District Heat cost for 2013.
2	GST Rate		<u>5%</u>	<u>0%</u>	<u>5%</u>	
3	GST Recoverable		2,002	(33)	1,970	Impact of the above changes.
4	Day Factor		<u>14</u>	<u>-</u>	<u>14</u>	
5	Recoverable portion of GST impact		<u>77</u>	<u>(1)</u>	<u>76</u>	Impact of the above changes.
6	Revenue subject to GST		45,641	(3,378)	42,263	Please see Schedule 5, Line 15
7	GST blended rate (2009 GRA)		<u>5%</u>	<u>0%</u>	<u>5%</u>	
8	GST payable		2,090	(155)	1,935	Impact of the above changes.
9	Day factor		<u>35</u>	<u>-</u>	<u>35</u>	
10	Payable portion of GST impact		<u>200</u>	<u>(14)</u>	<u>186</u>	Impact of the above changes.
11	Net impact of GST on working capital	S.2 L.7	<u>(123)</u>	<u>13</u>	<u>(110)</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Continuity Schedule of Property, Plant and Equipment
(\$000s)

Schedule 3
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Property, Plant and Equipment					
2	Balance at beginning of year		496,938	-	496,938	
3	Net Increases to PPE (Table 5.1)		23,713	-	23,713	
4	Retirements, disposals and adjustments (note 1)		-	-	-	
5	Balance at end of year	S.1 L.2	520,651	-	520,651	
6	Accumulated depreciation (including Future Removal Reserve)					
7	Balance at beginning of year		111,706	-	111,706	
8	Depreciation expense	S.6 L.7	8,989	-	8,989	
9	Retirements, disposals and adjustments (note 1)		-	-	-	
10	Balance at end of year		120,694	-	120,694	
	Deduct:					
11	Construction-in-progress	S.1 L.4	19,798	-	19,798	
12	Disallowed assets	S.1 L.5	200	491	691	Minto diesel and SCADA disallowed cost (Paragraph 324).
13	Miscellaneous reserves (note 2)	S.1 L.6	5,914	(10)	5,904	Due to RFID annual appropriation change for 2012 and 2013 (Paragraph 168).
14	Total		25,912		26,393	
	Add:					
15	Deferred study costs (note 3)	S.1 L.8	27,207	684	27,891	Marsh Lake and Gladstone cost stay in WIP (Paragraph 337 & 344) added \$792 thousand, District heating disallowed cost decreased by \$500 thousand, <\$1 million deferred costs stay in WIP added \$391 thousand.
16	Less: Studies in Progress	S.1 L.9	-	(14,742)	(14,742)	Marsh Lake and Gladstone cost stay in WIP (Paragraph 337 & 344) - \$9.2M; 2012 spending for <\$1 million deferred projects stay in WIP \$5.5M (Paragraph 398).
17	Other deferred costs	S.1 L.10	-	-	-	
18	Accum. Disallowed depreciation	S.1 L.11	94	25	119	Amortization of Minto diesel and SCADA disallowed cost (Paragraph 324).
19	Total		27,301	(14,034)	13,267	Impact of the above changes.
20	Net Property, Plant and Equipment	S.1 L.13	401,346	(14,515)	386,831	Impact of the above changes.

Note 1: Largely relate to retirements and disposals, as well as charges against the Reserve for Future Removal and Restoration.

Note 2: Includes Fire Insurance Reserve, Deferred Dewatering Revenues and the Reserve for Injuries and Damages.

Note 3: Planning and Study costs, Relicencing, Dam Safety costs and Deferred Overhauls. Net of contributions.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Cost of Capital Calculation
2009 Approved and 2009-2010 Actual
(\$000s)

Schedule 4
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
2013 Original Filing							
1	Long-Term debt	S.11 L.18	144,993	60.0%	145,043	3.90%	5,650
2	Common Stock	S.7 L. 8	<u>96,662</u>	<u>40.0%</u>	<u>96,695</u>	<u>8.77%</u>	<u>8,480</u>
3	Total	S.5 L.3	<u>241,656</u>	<u>100.0%</u>	<u>241,738</u>	<u>5.85%</u>	<u>14,130</u>
Adjustment							
4	Long-Term debt		-7,583	0.0%	-9,032	-0.32%	-783
5	Common Stock		<u>-5,055</u>	<u>0.0%</u>	<u>-6,022</u>	<u>-0.52%</u>	<u>-999</u>
6	Total		<u>-12,639</u>	<u>0.0%</u>	<u>-15,054</u>	<u>-0.40%</u>	<u>-1,782</u>
2013 Compliance Filing							
7	Long-Term debt	S.11 L.18	137,410	60.0%	136,010	3.58%	4,867
8	Common Stock	S.7 L. 8	<u>91,607</u>	<u>40.0%</u>	<u>90,674</u>	<u>8.25%</u>	<u>7,481</u>
9	Total	S.5 L.3	<u>229,017</u>	<u>100.0%</u>	<u>226,684</u>	<u>5.45%</u>	<u>12,348</u>

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Utility Revenue Requirement
(\$000s)

Schedule 5
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Net rate base	S.1 L.20	241,738	(15,054)	226,684	Please see Schedule 1 Line 20
2	Average Rate of return on rate base		5.85%	-0.40%	5.45%	Please see Schedule 4A Line 6
3	Utility income	S.8 L.1	14,130	(1,782)	12,348	Please see Schedule 4A Line 6
4	Utility expenses					
5	Operating and maintenance (note 1)	S.6 L.3	21,026	(182)	20,844	Please see Schedule 2 Line 1
6	Taxes other than income	S.6 L.4	326	-	326	
7	Amortization of deferred costs	S.6 L.5	4,859	(1,397)	3,462	-\$6 thousand for Western Copper - Aerial Photo Mapping, -\$182 thousand for Rate Case deferred cost amortization, -\$415 thousand for <\$1 million projects, -\$792 thousand for Marsh Lake and Gladstone
8	Reserve for Injuries and Damages	S.6 L.6	231	(5)	226	Due to RFID annual appropriation change (Paragraph 168).
9	Depreciation	S.6 L.7	8,989	-	8,989	
10	Amortization of contributions and fire insurance recoveries	S.6 L.8	(3,831)	-	(3,831)	
11	Disallowed depreciation		(4)	(12)	(16)	Minto diesel and SCADA disallowed cost (Paragraph 324).
12	Donations		(85)	-	(85)	
13	Disallowed Expenses			-		
14	Total utility expenses		<u>31,511</u>	<u>(1,596)</u>	<u>29,915</u>	Impact of the above changes.
15	Revenue Requirement	S.6 L.1	<u>45,641</u>	<u>- 3,378</u>	<u>42,263</u>	Impact of the above changes.

Note 1: Includes fuel expenses and purchased power.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Statement of Earnings
(\$000s)

Schedule 6
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Revenues (note 1)	S.5 L.15	45,641	(3,378)	42,263	Please see Schedule 5 Line 15
2	Operating expenses					
3	Operating and maintenance	S.10 L.15	21,026	(182)	20,844	Please see Schedule 2 Line 1
4	Taxes other than income	S.5 L.6	326	-	326	
5	Amortize deferred costs	S.5 L.7	4,859	(1,397)	3,462	Please see Schedule 5 Line 7
6	Reserve for Injuries and Damages	S.5 L.8	231	(5)	226	Due to RFID annual appropriation change (Paragraph 168).
7	Depreciation	S.3 L.8	8,989	-	8,989	
8	Amortization of contributions and fire insurance recoveries	S.5 L.10	(3,831)	-	(3,831)	
9	Total		<u>31,600</u>	<u>-1,584</u>	<u>30,016</u>	Impact of the above changes.
10	Operating income		14,041	(1,795)	12,247	Impact of the above changes.
11	Other income					
12	Allowed for Funds Used	S.8 L.2	500	-	500	
13	Miscellaneous (note 2)	S.8 L.3	(23)	-	(23)	
14	Total		<u>477</u>	<u>-</u>	<u>477</u>	
15	Other expenses					
16	Interest expense	S.8 L.4	5,648	(731)	4,917	Please see Schedule 11 Line 35
17	Total		<u>5,648</u>	<u>(731)</u>	<u>4,917</u>	
18	Net earnings	S.8 L.8	<u>8,870</u>	<u>- 1,064</u>	<u>7,807</u>	Impact of the above changes.

Note 1: Includes revenues from sales, non-operating revenues and other revenues.

Note 2: Miscellaneous primarily consistent of Regulatory gain/losses and other interest income/expenses.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Statement of Retained Earnings
(\$000s)

Schedule 7
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Balance at beginning of year		41,609	(4,340)	37,270	Please see Schedule 7 Line 5 for 2012
	Add:					
2	Net earnings	S.6 L.18	8,870	(1,064)	7,807	Please see Schedule 6 Line 18
3			<u>50,480</u>	<u>(5,403)</u>	<u>45,076</u>	
	Less:					
4	Common Dividends/(Injection) (note 1)		5,964	368	6,332	Required change in order to maintain 60/40 debt to equity ratio.
5	Balance at end of year		<u>44,516</u>	<u>- 5,771</u>	<u>38,744</u>	Impact of the above changes.
	Shareholder's Equity					
6	Common shares		53,600	-	53,600	
7	Retained earnings		<u>44,516</u>	<u>(5,771)</u>	<u>38,744</u>	Impact of the above changes.
8	Total		<u>98,116</u>	<u>(5,771)</u>	<u>92,344</u>	

Note:

1. YDC equity injection required in order to maintain 60/40 debt to equity ratio.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Reconciliation of Utility Income to Net Earnings
(\$000s)

Schedule 8
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Utility Income (Return on Rate Base)	S.5 L.3	14,130	(1,782)	12,348	Please see Schedule 5 Line 3
	Add:					
2	Allowance for funds used	S.6 L.13	500	-	500	
3	Other income (expenses)	S.6 L.14	(23)	-	(23)	
			<u>14,608</u>	<u>(1,782)</u>	<u>12,825</u>	Impact of the above changes.
	Less:					
4	Interest - long-term	S.6 L.17	5,648	(731)	4,917	Please see Schedule 11 Line 35
5	Donations	S.5 L.12	85	-	85	
6	Disallowed costs	S.5 L.13	-	-	-	
7	Disallowed depreciation	S.5 L.11	4	12	16	Please see Schedule 5 Line 11
			<u>5,737</u>	<u>(719)</u>	<u>5,019</u>	
8	Net earnings	S.6 L.18	8,870	(1,064)	7,807	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Customers, Energy Sales and Revenues
(\$000s)

Schedule 9
June 20, 2013 Refiling

Line No.	Description	2013		Compliance Filing	Explanation
		Original Filing	Adjustment		
1	Residential				
2	Customers	1,536	0	1,536	
3	Sales in MWh	12,408	0	12,408	
4	MWh sales per customer	8	0	8	
5	Revenue (\$000s)	1,815	0	1,815	
6	Cents per KWh	14.63	0.00	14.63	
7	General Service				
8	Customers	467	0	467	
9	Sales in MWh	22,620	0	22,620	
10	MWh sales per customer	48	0	48	
11	Revenue (\$000s)	3,735	0	3,735	
12	Cents per KWh	16.51	0.00	16.51	
13	Industrial				
14	Sales in MWh	62,364	-21,772	40,592	Minto load reduction from 43 GW.h to 26 GW.h (17 GW.h reduction), WHCT reflected as YECL customer (reduced by 4.7 GW.h).
15	Revenue (\$000s)	7,383	-2,596	4,787	Minto load reduction -\$1.816 million, Alexco demand revenue forecast correction -\$0.172 million, WHCT revenues -\$0.608 million.
16	Cents per KWh	12	-0.05	11.79	
17	Street lights				
18	Sales in MWh	279	0	279	
19	Revenue (\$000s)	88	0	88	
20	Cents per KWh	31.55	0.00	31.55	
21	Space lights				
22	Sales in MWh	15	0	15	
23	Revenue (\$000s)	4	0	4	
24	Cents per KWh	26.76	0.00	26.76	
25	Total Company - Firm Retail and Industrial				
26	Customers	2,003	0	2,003	
27	Sales in MWh	97,685	-21,772	75,913	Impact of the above changes.
28	Revenue (\$000s)	13,025	-2,596	10,429	Impact of the above changes.
29	Cents per KWh	13.33	0.40	13.74	
30	Wholesale sales				
		298,228	8,920	307,147	Added WHCT sales with 6.2% provision for YECL losses (5.07 GW.h), added higher wholesales due to Fish Lake unit #1 in-service date delay (3.85 GW.h).
31	Sales in MWh				
32	Revenue (\$000s)	24,747	740	25,487	Impact of the increased wholesale forecast.
33	Cents per KWh	8.30	0.00	8.30	
34	Total Company - Firm				
35	Sales in MWh	395,913	-12,852	383,061	Impact of the above changes.
36	Revenue (\$000s)	37,772	-1,856	35,916	Impact of the above changes.
37	Cents per KWh	9.54	-0.16	9.38	
38	Secondary				
39	Sales in MWh	0	0	0	
40	Revenue (\$000s)	0	0	0	
41	Cents per KWh				
42	Total Company				
43	Sales in MWh	395,913	-12,852	383,061	Impact of the above changes.
44	Revenue (\$000s)	37,772	-1,856	35,916	Impact of the above changes.
45	Cents per KWh	9.54	-0.16	9.38	
46	Rider J				
47	Post-GRA Reconcil Req'd				
48	GRA Increase Req'd	7,685	-1,522	6,163	GRA required rate increase change (please see Table 1.1 in Compliance filing)
49	Total Sales of Power	<u>45,457</u>	<u>-3,378</u>	<u>42,079</u>	Impact of the above changes.
50	Other Revenues	184	0	184	
51	Total Revenues	45,641	-3,378	42,263	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Operating and Maintenance Expenses
(\$000s)

Schedule 10
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013			Explanation
			Original Filing	Adjustment	Compliance Filing	
1	Utility operations					
2	Production		4,494	0	4,494	
3	Transmission and distribution		2,112	0	2,112	
4	General		1,405	0	1,405	
5	Administration and general		8,923	-269	8,654	-\$30 thousand YDC labour cost allocation (paragraph 72), -\$190 thousand Communication expense (paragraph 134) and -\$49 thousand DSM Administration (paragraph 367)
6	Insurance		895	0	895	
7	Sub-total		<u>17,828</u>	<u>-269</u>	<u>17,559</u>	
8	Donations		85	0	85	
9	Sub-total		<u>85</u>	<u>0</u>	<u>85</u>	
10	O&M (not including fuel and purchased power)		<u>17,913</u>	<u>-269</u>	<u>17,644</u>	Impact of the above changes.
11						
12	Fuel		3,073	87	3,160	\$87 thousand Fuel expense adjustment (paragraphs 60 and 68)
13	Purchased power		40	0	40	
14	Sub-total		<u>3,113</u>	<u>87</u>	<u>3,200</u>	
15	Total operating and maintenance	S.6 L.3	<u>21,026</u>	<u>-182</u>	<u>20,844</u>	Impact of the above changes.

Yukon Energy Corporation 2012/13 GRA Compliance Filing
Summary of Cost of Long - Term Debt
(\$000s)

Schedule 11
June 20, 2013 Refiling

Line No.	Description	Cross Ref.	2013		Compliance Filing	Explanation
			Original Filing	Adjustment		
General Purpose Long-Term Debt Balance						
1	Canada Flexible Term Note					
2	TD Canada Trust		2,945	0	2,945	
3	YDC Loan		72,891	0	72,891	
4	Mayo B Flexible Term Note		21,226	0	21,226	
5	New YDC Loan 2011		17,871	-91	17,780	Updated for 2011 actual long-term debt amortization period
6	New YDC Loan 2012		22,147	-6,248	15,900	Required change in order to maintain 60/40 debt to equity ratio.
7	New YDC Loan 2013		10,093	-2,319	7,774	Required change in order to maintain 60/40 debt to equity ratio.
8	YDC Loan #12 (5.88%)					
9	YDC Loan #13 (6.03%)					
10	YDC Loan #14 (5.40%)					
11	YDC Mayo-Dawson Note (6.55%)					
12	YDC Loan #15 (5.34%)					
13	YDC Loan #16 (5.28%)					
14	YDC Loan #17 (5.28%)					
15	YDC Loan #18 (5.28%)					
16	Current year-end balance		147,174	-8,658	138,516	Impact of the above changes.
17	Previous year-end balance		142,813	-6,509	136,304	Please see Schedule 11 for 2012.
18	Mid Year		144,993	-7,583	137,410	Impact of the above changes.
Interest Costs						
19	Canada Flexible Term Note		0	0	0	
20	TD Canada Trust		140	0	140	
21	YDC Loan		3,225	0	3,225	
22	Mayo B Flexible Term Note		212	0	212	
23	New YDC Loan 2011		925	-238	687	Updated for 2011 actual long-term debt interest rate
24	New YDC Loan 2012		1,146	-493	653	Change in required long-term debt and updated 2012 forecast interest rate (paragraph 194) - changed from 5% to 3.58%
25	New YDC Loan 2013					
26	YDC Loan #12 (5.88%)					
27	YDC Loan #13 (6.03%)					
28	YDC Loan #14 (5.40%)					
29	YDC Mayo-Dawson Note (6.55%)					
30	YDC Loan #15 (5.34%)					
31	YDC Loan #16 (5.28%)					
32	YDC Loan #17 (5.28%)					
33	YDC Loan #18 (5.28%)					
34	Minto Diesel					
35	Total Cost of Interest		5,648	-731	4,917	Impact of the above changes.
36	Mid-Year Cost of Debt		3.90%	-0.32%	3.58%	Impact of the above changes.

4.0 BOARD DIRECTIVES - SUMMARY TABLE

The following table summarizes how Board Orders 2013-01 and 2013-03 were applied by Yukon Energy in this Compliance Filing to derive the adjusted schedules, as well as to address other matters, arranged by section in the Reasons for Decision.

On review of the Order it is noted that some directives provided in the main body of the Decision were not included in the listing of Board directives provided in Appendix 1 of the Order. For this reason, Table 4.1 cites the paragraphs of the main body of the Decision as opposed to the numbered directives listed at the end of the Decision.

**Table 4.1:
Board Directives & Decisions**

Sub-Issue	Board Directive	YEC Response
Wholesale Forecast	<p><i>In making its decision on the wholesale sales forecast, the Board considered YEC's submission that its "...updated wholesale forecasts for 2012 and 2013 using the best available information... [and] ...adopting YECL's forecast ... would result in a less accurate forecast ... than that provided by YEC in the Application." Moreover, the Board is not convinced by the evidence of the interveners that YEC's wholesale sales should not be adopted. The Board finds YEC's wholesale forecast reasonable</i></p> <p>Paragraph 34].</p> <p><i>The Board is of the view that YECL may have more up-to-date information regarding the unavailability of Fish Lake Hydro during the 2012-2013 test period. The Board directs YEC to consult with YECL regarding the unavailability of Fish Lake Hydro during the 2012-13 test period and adjust its forecast if necessary in its compliance filing [Paragraph 35].</i></p>	<p>Subsequent to Order 2013-01, Yukon Energy has consulted with YECL regarding the unavailability of Fish Lake Hydro during the 2012-13 test period. Yukon Energy has received more up to date information and has updated the Compliance Filing wholesale sales forecast accordingly. These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.</p>
Industrial Sales Forecast	<p><i>The Board is of the view that the most accurate and current information available at the time of the hearing should be used to make a decision on an application. This allows all parties to make submissions on any new information. Accordingly, the Board directs YEC to update its major industrial sales forecast in its compliance filing to account for the change to the 2012 and 2013 Minto sales forecasts referred to in the hearing [Paragraph 39].</i></p>	<p>Yukon Energy has updated the industrial sales forecast. These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.</p>
	<p><i>As a result of the above, the Board finds that YEC is</i></p>	<p>WHCT has been removed from the</p>

Sub-Issue	Board Directive	YEC Response
	<i>not entitled to serve WHCT because it is a customer within the YECL franchise area and under Section 1 of the regulation, YEC cannot provide electrical service in areas where it is already provided by YECL. The Board therefore directs YEC in its compliance filing to remove WHCT volumes from its industrial sales forecast and include those volumes in its wholesale sales forecast for the test years and to adjust its revenue requirement accordingly [Paragraph 49].</i>	Industrial Sales forecast and the Wholesale Sales forecast has been adjusted accordingly. These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.
Secondary Sales Forecast	<i>The Board denies YEC's request to credit secondary sales revenue directly to the DCF for the reasons set out in Section 3.6. As a result, the Board directs YEC to forecast, manage and account for secondary sales (if there are any) as part of its energy sales. The Board directs YEC to reflect this finding and direction in its compliance filing [Paragraph 52].</i>	The GRA forecast of no secondary sales in the test years has been retained in this Compliance Filing. A Rider F accounting of secondary sales in the test years has been reflected in the Rider F true-up addressed in Section 1 of this Compliance Filing. These changes are reflected in the Revised Schedules provided in Section 3 of the Compliance Filing.
Generation	<i>Based on its findings respecting the DCF and ERA in Section 3.6, the Board does not accept the proposed transition from 2009 rates. The Board directs YEC to base its hydro and diesel energy requirements on 100 percent of long-term average hydro generation for the forecast load in its compliance filing. In that compliance generation forecast, YEC is to confirm whether the effect of the Mayo A runner improvements have been included in the forecast. If not, YEC is to update its generation forecast accordingly. [Paragraph 60].</i>	Hydro and diesel energy requirements for the test years are based in this Compliance Filing on 100% long term average hydro generation for the forecast load. These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing. YEC confirms that Mayo A runner improvements are accounted for in the generation forecast.
Fuel and Price forecast	<i>The Board has reviewed YEC's 2012 and 2013 fuel and price forecast and finds the forecast reasonable. However, the Board notes that directions in other areas of this decision, including the sales forecast section, may have an impact on YEC's fuel and purchase forecast. The Board directs YEC to review and to explain the impacts of the changes in other sections on the fuel and purchased power forecast in YEC's compliance filing [Paragraph 68].</i>	These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.
Labour	<i>During the oral hearing, YEC revised their FTE allocation to Yukon Development Corporation (YDC) from 0.55 to 0.71. The forecast labour expenses for 2012 and 2013 were subsequently reduced by \$0.03</i>	These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.

Sub-Issue	Board Directive	YEC Response
	<p><i>million less than originally applied for in the Application [Paragraph 72].</i></p> <p><i>The Board directs YEC to remove all labour costs attributable to DSM and the ECD from the revenue requirement for the 2012 and 2013 test years in its compliance filing. The Board directs YEC to track and defer these costs until the Board approves a final DSM policy for YEC, as discussed in Section 5.3 [Paragraph 85].</i></p> <p><i>The Board approves a complement of 90 FTEs for YEC's revenue requirement for the 2012 and 2013 test years [Paragraph 86].</i></p>	<p>No labour costs related to DSM were included in the GRA test year forecasts. No changes to the O&M revenue requirement forecasts related to labour expenses are required.</p>
Admin	<p><i>The Board agrees with LE that a \$0.201 million increase (i.e. a 191-percent increase over 2009 approved forecast) in discretionary spending when rates are increasing is not acceptable. Further, the Board finds that YEC has not provided adequate evidence to satisfy the Board that ratepayers would exchange more communication for higher utility rates. The Board directs YEC in its compliance filing to reduce the communication forecasts to \$0.105 million for each of the 2012 and 2013 test years [Paragraph 134].</i></p>	<p>Communications expense has been reduced in each test year. These changes are reflected in the Revised Schedules provided as Section 3 of the Compliance Filing.</p>
Insurance & Reserve for Injuries and Damages (RFID)	<p><i>The Board accepts YEC's proposed three-part solution and directs YEC to make the \$0.005-million reduction to the RFID appropriation it noted in reply argument in the compliance filing. [Paragraph 168].</i></p>	<p>Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.</p>
Cost of Debt	<p><i>The Board finds that there is little reason to depart from the previous approach and YEC has not provided any explanation for not conducting any further analysis or departing from the previous approach. The Board accepts the recommendation of CW, which was supported by UCG, and directs YEC in its compliance filing to use 3.97 percent as the forecast cost for new debt for 2012 and 3.58 percent as the forecast cost for new debt for 2013 [Paragraph 194].</i></p>	<p>Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.</p>
Return on Equity	<p><i>In summary, the Board has determined that the simplified approach is the approach to be used in determining the ROE for utilities under its jurisdiction. The simplified approach was based on the precedence of the BCUC formulaic model. In this proceeding, since recent results of the BCUC model are not available, YEC can use the benchmark results from the AUC</i></p>	<p>Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.</p>

Sub-Issue	Board Directive	YEC Response
	<p><i>model. Therefore, the Board directs YEC in its compliance filing to use an ROE of 8.25 percent. [Paragraph 230].</i></p>	
<p>DCF</p>	<p><i>The Board does not approve YEC's proposed DCF but directs YEC to provide a revised DCF proposal. In the revised DCF proposal, YEC is to incorporate other non-diesel generation facilities (wind, Fish Lake hydro) forecasts into its model. In addition, YEC is to incorporate the suggestions of CW and UCG as to how DCF transactions are to be reported. Further, in that submission, YEC is to provide an example of approximately five years of transactions that will show how the balance in the DCF will change and how those changes will be reported. Finally, YEC is to work with YECL, and the two utilities will provide a joint recommendation on how the DCF will affect the Energy Reconciliation Account in Rate Schedule 42 and any proposed wording changes to that rate schedule. The Board will leave it to the discretion of YEC and YECL as to when the revised DCF proposal is to be filed with the Board. Given the foregoing, the Board does not approve YEC's requests regarding the DCF and therefore does not approve YEC's proposed changes to Rider F. Secondary sales, as they occur, will continue to be credited to the Rider F account [Paragraph 255].</i></p>	<p>As directed in Order 2013-03, YEC will meet with YECL and provide a joint filing on a revised DCF proposal and ERA amendment.</p>
<p>Secondary Sales Rate Schedule 32</p> <p>Rate Schedule 35</p>	<p><i>As a result of the Board determination regarding the DCF, YEC's proposed changes for secondary sales is moot. YEC is directed to continue applying any secondary sales to the Rider F account [Paragraph 260].</i></p> <p><i>The Board determination regarding the DCF has rendered YEC's proposed changes for Rate Schedule 35 moot [Paragraph 262].</i></p>	<p>Adjustments as directed are reflected in revised schedules included in Section 4 of this Compliance Filing, and a Rider F accounting as directed is reflected in the Rider F true-up addressed in Section 1 of this Compliance Filing.</p>
<p>Wholesale Rate Schedule 42 (ERA)</p>	<p><i>As the Board has requested YEC to file a revised DCF, and to address the concerns raised by the Board in that filing, the Board directs YEC to refile a Rate Schedule 42 in cooperation with YECL as directed in Section 3.6.2 of this decision [Paragraph 281].</i></p>	<p>As directed in Order 2013-03, YEC will meet with YECL and provide a joint filing on a revised DCF proposal and ERA amendment.</p>
<p>Western Copper Aerial Mapping and Route</p>	<p><i>Respecting UCG's concern with the inclusion of Western Copper aerial mapping and route-selection charges, the Board notes YEC's acknowledgement that Western Copper aerial mapping and route-selection</i></p>	<p>The Board's direction relates to a deferred cost recorded as closed in GRA at end of 2011. This cost has been moved to WIP and is reflected in revised</p>

Sub-Issue	Board Directive	YEC Response
Selection	<i>expenses should have been held in work in progress (WIP). The Board directs YEC in its compliance filing to move the aerial photo mapping and route-selection charges (\$30,233) related to the Western Copper grid connection project into WIP to be charged later to Western Copper. [Paragraph 301].</i>	schedules included in Section 3 of the Compliance Filing.
YECL Invoices	<i>The Board notes that the invoices relate to a YEC planned outage in respect of one of its major projects. As part of YEC's feasibility study work leading up to the decision, whether or not the project is given the go ahead, the Board considers that YEC would investigate and determine all costs that relate to such projects. The Board finds that it is YEC's obligation to forecast all future costs, including all third party costs, such as YECL utility costs that relate to YEC's proposed capital projects. The Board directs YEC to consult with YECL to determine costs that are to be incurred by YECL, as a result of YEC's proposed capital project costs. The Board further directs YEC to include such costs in future GRAs for Board and intervener review. [Paragraph 316].</i>	This direction will be implemented for future proposed capital projects. No changes are reflected in this Compliance Filing.
Minto Diesel SCADA	<i>The Board does acknowledge YEC's submission that "there would be benefit to [us] having visibility into these diesels in instances where we have outages and we're trying to bring them [Minto] back onto the grid." Again, YEC has not demonstrated or quantified what the benefit to ratepayers would be. Therefore, the Board directs YEC in its compliance filing to remove all Minto-related SCADA costs from rate base. [Paragraph 324].</i>	All Minto-related SCADA costs have been removed from rate base and this change is reflected in revised schedules included in Section 3 of this Compliance Filing.
Marsh Lake	<i>The Board finds that Marsh Lake Storage is currently a viable project, and as such, all Marsh Lake-related project costs are to be held in WIP, until the project is completed. Furthermore, YEC is to cease work on this project if and when YEC concludes that there is no net economic benefit of the project to ratepayers [Paragraph 337].</i>	This project has been removed from rate base and will remain in WIP in the test years. Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.
Gladstone	<i>The Board finds that Gladstone hydro enhancement project has potential to be a viable project and directs that all project expenditures be held in WIP until the project is completed. Moreover, YEC is to cease work on this project if and when YEC concludes that there is no net economic benefit of the project to ratepayers [Paragraph 344].</i>	This project has been removed from rate base and will remain in WIP in the test years. Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.
Atlin	<i>Having reviewed the evidence on the record, the Board</i>	Amortized over 10 years as directed in

Sub-Issue	Board Directive	YEC Response
	<i>finds the Atlin Lake study costs to be prudent because it had the potential to add nine GW.h/year of hydro energy which could be generated at Whitehorse, with regulation of Atlin Lake outflows within natural range of lake levels. Also, the study was terminated once the park designation issued. As a result, the Board approves the costs as proposed [Paragraph 350].</i>	Order 2013-03
Waste to Energy	<i>The Board understands that YEC needs to explore alternatives to diesel generation. The Board has concerns with the costs for this study because the prefeasibility work alone amounts to more than \$1.6 million. The ultimate question is, Who other than a generator of electrical energy should consider such a project? In this case, it is clear that this falls under the purview of YEC. However, the Board notes that the ability of ratepayers to pay for studies is not endless. Therefore, the Board accepts the costs for this project as filed but will not accept further costs on this project unless YEC can demonstrate economic viability and a reasonable probability that the project will proceed. In future, for projects such as this one, LNG and geothermal, YEC needs to determine the potential for economic viability before the studies exceed \$1 million or risk disallowance of the costs [Paragraph 375].</i>	Amortized over 10 years as directed in Order 2013-03
District Heating	<i>The Board is concerned about the magnitude of the expenditures for a district heating project, considering that a decision had not been made regarding the viability of such a project. Further, the Board is of the view that district heating is not the type of activity to which YEC should be applying resources nor expecting recovery from ratepayers since it is not related to electric generation or transmission of electricity. The Board does not consider this to be a prudent project and therefore directs the costs be removed from rate base and deferred costs. The Board directs YEC to reflect this finding in its compliance filing [Paragraph 379].</i>	This project has been removed from rate base, and this change is reflected in revised schedules included in Section 3 of this Compliance Filing.
Geothermal	<i>The Board notes that the test period feasibility studies are to "... confirm temperature gradient and water quality and potentially some geophysical survey work." Furthermore, if 2012 study results are favorable and there is sufficient geophysical data, plans for an exploratory drilling program would be developed and undertaken to confirm heat resources. The Board considered that exploratory drilling is scheduled to</i>	Amortized over 10 years as directed in Order 2013-03

Sub-Issue	Board Directive	YEC Response
	<p><i>occur in 2015 at the earliest [Paragraph 388].</i></p> <p><i>Similar to the Board's ruling for the studies regarding waste-to-energy projects, the Board understands that YEC needs to explore alternatives to diesel generation. Although the Board has concerns with the level of costs for studies such as this, the ultimate question is, Who other than a generator of electrical energy should consider such a project? In this case, it is clear again that this falls under the purview of YEC. Respecting the planned geothermal test-drilling expenditures, the Board considers that this program should not proceed unless YEC can demonstrate potential benefits to ratepayers in terms of the location of such potential generation being economically viable relative to the location of potential load. The Board took note that prior to the Borealis assessment, the majority of the sites that YEC reviewed were dismissed because of "... distance from major loads ... the lack of transmission infrastructures ... remoteness and location within a protected area ... remoteness ... source and distance to major loads." The Board will not accept further costs for this until YEC can demonstrate economic viability and a reasonable probability as to the likelihood of the project proceeding. [Paragraph 389].</i></p> <p><i>Considering the above, the Board accepts the geothermal expenditures as requested by YEC. [Paragraph 390].</i></p>	
<p>GRA Phase 1</p>	<p><i>The Board notes that interveners did raise this project as an issue. The Board considers YEC's proposed GRA Phase 1 revenue requirement review costs to be reasonable [Paragraph 392].</i></p>	<p>YEC's proposed GRA Phase I Revenue Requirement review costs are retained in this Compliance Filing. YEC will establish a hearing cost reserve to address differences between actual and forecast costs.</p>
<p>Deferred Costs < \$1 million > \$100,000</p>	<p><i>The Board cautions YEC that feasibility expenditures associated with projects that are deemed feasible to move forward should remain in WIP until such time that the project is set aside and YEC comes before the Board for a prudence review [Paragraph 397].</i></p> <p><i>The Board notes that interveners did not take issue with expenditures prior to the 2012 test year. Having reviewed the project expenditures YEC incurred prior to year-end 2011, the Board finds the expenditures prudent and directs that they be capitalized. Moreover, for project expenditures incurred in the test years and beyond, the Board directs that these expenditures be</i></p>	<p>In this Compliance Filing costs incurred on projects < \$1million have been capitalized if incurred prior to year end 2011, and have been held in WIP if incurred in the test years.</p>

Sub-Issue	Board Directive	YEC Response
	<p><i>held in WIP until such time the costs are brought before the Board for a prudence review and have been approved. The Board directs YEC to incorporate these findings into its compliance filing [Paragraph 398].</i></p>	
<p>DSM & New DSM Accounting Policy</p>	<p><i>The Board acknowledges YEC's submission that the DSM working group is currently in the draft stage of the five-year DSM plan which will be submitted to the Board upon completion. The Board further notes YCS's submission that DSM may be more appropriately carried by a third party [Paragraph 365].</i></p> <p><i>Considering the above, the Board finds it premature at this point to approve or disallow DSM expenses until YEC and YECL (utilities) jointly file a DSM plan as directed in Board Order 2009-08 [Paragraph 366].</i></p> <p><i>Until the plan is filed, the Board directs that:</i></p> <p><i>a) YEC create a deferral account wherein DSM O&M related costs are to be held; and</i></p> <p><i>b) All DSM-related capital costs be held in WIP [Paragraph 367].</i></p> <p><i>The Board directs YEC in its compliance filing to show the changes resulting from these directions [Paragraph 368].</i></p> <p><i>The Board defers its findings and directions regarding YEC's DSM accounting policy until YEC and YECL have jointly filed a DSM plan as directed in a prior section [Paragraph 407].</i></p>	<p>All DSM O&M and Capital costs are removed from rate base and will continue to be deferred until YUB review of the joint YEC and YECL DSM plan. Adjustments as directed are reflected in revised schedules included in Section 3 of this Compliance Filing.</p>
<p>New Planning Cost Accounting Policy</p>	<p><i>The Board does not accept the planning cost accounting policy as the Board and interveners must be given the opportunity to test the prudence of all costs incurred by YEC in respect of deferred costs. Accordingly, the Board considers that the policy as proposed would allow the inclusion of these costs without any prior scrutiny by the Board and interveners. Considering the above, the Board rejects YEC's proposed planning cost accounting policy [Paragraph 405].</i></p>	<p>Costs for deferred cost projects that were approved to be included in rates have been amortized over 5 years according to prior practice (with no special transition provisions for the test years).</p>