

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

	<b>2017</b>
<b>Utility Revenue</b>	
Utility Electric Sales	51,564
Other Revenue	319
<b>Total</b>	<b>51,883</b>
<b>Utility Expense</b>	
Labour	11,894
Non-Labour	
Operations and Maintenance	5,591
Administration	2,731
Insurance	1,032
Donations	96
Fuel	4,849
Purchased Power	49
<b>Total Operating and Maintenance Costs</b>	<b>26,241</b>
Depreciation & Amortization	
Fixed Asset Depreciation	11,765
Amortization of Deferred Costs (incl. RFID)	4,986
Amortization of Contribution for Extensions	(5,539)
Amortization of Fire Insurance Gain	(262)
<b>Other Taxes</b>	<b>693</b>
<b>Total Expenses</b>	<b>37,884</b>
Less: Donations	96
Disallowed Depreciation	16
<b>Total</b>	<b>37,773</b>
<b>Utility (Regulatory) Income</b>	<b>14,110</b>
<b>Net Rate Base</b>	<b>274,320</b>
<b>Rate Of Return on Capital</b>	<b>5.14%</b>
<i>Rate of Return on Equity</i>	<i>8.72%</i>
<i>Cost of Debt</i>	<i>2.58%</i>

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

	<b>2017</b>
Property, Plant and Equipment	598,756
Less: Work in progress (includes deferred cost WIP)	19,740
Accumulated Depreciation	150,301
Reserve for Future Removal and Site Restoration	4,303
Deferred Fire Gain	4,966
Customer Contributions (excluding for WIP)	168,967
Subtotal	250,479
Add: Deferred Study, Relicensing & Regulatory Costs	30,301
Accumulated Disallowed Depreciation	184
Less: Disallowed Assets	691
Reserve for Injuries and Damages	(1,247)
Net balance at year end	281,519
Mid-year balance	266,462
Add: Allowance for Working Capital	5,456
Mid-Year Rate Case Expense	2,402
Net Rate Base	274,320

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

	<b>2017</b>
<b>Working Capital</b>	
Operation and Maintenance	26,241
Add: Other Taxes	693
Less: Donations and Disallowed expenses	96
<b>Allowable Operating Expense</b>	<b>26,838</b>
Allowance: Operating Expense (27/365 * Allowable Operating Expense)	1,985
Three Year Average Inventory	3,665
GST Impact	(194)
<b>Total Working Capital</b>	<b>5,456</b>

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

	<b>2017</b>
Utility Income	14,110
Add Non Utility Income:	
Allowance for Funds Used During Construction	466
Other Income	-
Sub-Total	14,576
Less Non Utility Expenses:	
Long Term Interest	4,246
Other Interest	(222)
Capital Lease Interest	-
Donations	96
Disallowed Expenses	150
Disallowed Depreciation	16
Net Earnings	10,290

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

	2017
<b>Capital Assets</b>	
Land	1,720
Hydro, LNG, Wind and Diesel Plants	351,203
Transmission	184,219
Distribution	17,462
Buildings, Office and General Equipment	34,045
Transportation	5,348
Construction Work-in-Progress	4,759
Cost	598,756
Less: Accumulated Depreciation	150,301
Net Book Value	448,456
Less: Net Contribution for Extensions	168,967
Net Capital Assets	279,489

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

<b>2017</b>	<b>Capital Ratio</b>	<b>Cost</b>	<b>Return Component</b>
Mid-year Long Term Debt	58.2	2.58	1.500
Mid-year Common Equity	41.8	8.72	3.643
	100.0		5.14