

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

	2019
Utility Revenue	
Utility Electric Sales	52,203
Other Revenue	(901)
Total	51,302
Utility Expense	
Labour	11,863
Non-Labour	
Operations and Maintenance	7,185
Administration	3,242
Insurance	1,117
Donations	166
Fuel	6,513
Purchased Power	57
Total Operating and Maintenance Costs	30,144
Depreciation & Amortization	
Fixed Asset Depreciation	12,677
Amortization of Deferred Costs (incl. RFID)	5,558
Amortization of Contribution for Extensions	(6,237)
Amortization of Fire Insurance Gain	(262)
Other Taxes	673
Total Expenses	42,552
Less: Donations	166
Disallowed Depreciation	204
Total	42,182
Utility (Regulatory) Income	9,120
Net Rate Base	299,330
Rate Of Return on Capital	3.05%
<i>Rate of Return on Equity</i>	3.52%
<i>Cost of Debt</i>	2.71%

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

	2019
Property, Plant and Equipment	642,291
Less: Work in progress (includes deferred cost WIP)	28,970
Accumulated Depreciation	172,423
Reserve for Future Removal and Site Restoration	2,790
Deferred Fire Gain	4,442
Customer Contributions (excluding for WIP)	171,610
Subtotal	262,056
Add: Deferred Study, Relicensing & Regulatory Costs	32,018
Accumulated Disallowed Depreciation	757
Less: Disallowed Assets	2,746
Reserve for Injuries and Damages	(1,002)
Net balance at year end	293,086
Mid-year balance	290,223
Add: Allowance for Working Capital	5,961
Mid-Year Rate Case Expense	3,146
Net Rate Base	299,330

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

	2019
Working Capital	
Operation and Maintenance	30,144
Add: Other Taxes	673
Less: Donations and Disallowed expenses	166
Allowable Operating Expense	30,650
Allowance: Operating Expense (27/365 * Allowable Operating Expense)	2,267
Three Year Average Inventory	3,837
GST Impact	(143)
Total Working Capital	5,961

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

	2019
Utility Income	9,120
Add Non Utility Income:	
Allowance for Funds Used During Construction	648
Other Income	-
Sub-Total	9,768
Less Non Utility Expenses:	
Long Term Interest	5,236
Other Interest	1,127
Donations	166
Disallowed Expenses	712
Disallowed Depreciation	204
Net Earnings	2,323

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

2019

Capital Assets

Land	1,717
Hydroelectric, Diesel and LNG Plants	369,582
Transmission	212,169
Distribution	18,954
Buildings, Office and General Equipment	25,841
Transportation	5,940
Construction Work-in-Progress	8,088
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Cost	642,291
Less: Accumulated Depreciation	172,423
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Net Book Value	469,868
Less: Net Contribution for Extensions	171,610
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Net Capital Assets	298,258

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

2019	Capital Ratio	Cost	Return Component
Mid-year Long Term Debt	58.6	2.71	1.588
Mid-year Common Equity	41.4	3.52	1.459
	100.0		3.05