

Yukon Energy Corporation

Notes to Financial Statements

(tabular amounts in thousands of Canadian dollars)

December 31 2019

10. REGULATORY ACCOUNTS - continued

b) Regulatory deferral account credit balances

| | Deferred Insurance Proceeds (i) | Hearing Reserve (ii) | Low Water Reserve Fund (iii) | Future Removal and Site Restoration (iv) | Contracts with Customers (v) | Total |
|---|--|----------------------------|---------------------------------------|---|---------------------------------------|------------|
| Cost: | | | | | | |
| At December 31, 2017 | \$ 11,602 | \$ 1,220 | \$ 8,742 | \$ 4,303 | \$ 4,153 | \$ 30,020 |
| Cost incurred | - | (155) | (893) | (339) | - | (1,387) |
| Regulatory provision | - | 250 | (2,033) | - | 471 | (1,312) |
| Cash received | - | - | 77 | - | - | 77 |
| Cash refunded | - | - | (2,875) | - | - | (2,875) |
| At December 31, 2018 | \$ 11,602 | \$ 1,315 | \$ 3,018 | \$ 3,964 | \$ 4,624 | \$ 24,523 |
| Cost incurred | - | - | (4,038) | (1,173) | - | (5,211) |
| Regulatory provision | - | (633) | - | - | 471 | (162) |
| Cash received | - | - | 11 | - | - | 11 |
| Cash refunded | - | - | (1,004) | - | - | (1,004) |
| At December 31, 2019 | \$ 11,602 | \$ 682 | \$ (2,013) | \$ 2,791 | \$ 5,095 | \$ 18,157 |
| Accumulated amortization: | | | | | | |
| At December 31, 2017 | \$ 6,637 | \$ 194 | \$ - | \$ - | \$ - | \$ 6,831 |
| Amortization | 262 | 194 | - | - | - | 456 |
| Disposals | - | - | - | - | - | - |
| At December 31, 2018 | \$ 6,899 | \$ 388 | \$ - | \$ - | \$ - | \$ 7,287 |
| Amortization | 263 | 195 | - | - | - | 458 |
| Disposals | - | - | - | - | - | - |
| At December 31, 2019 | \$ 7,162 | \$ 583 | \$ - | \$ - | \$ - | \$ 7,745 |
| Net book value: | | | | | | |
| At December 31, 2018 | \$ 4,703 | \$ 927 | \$ 3,018 | \$ 3,964 | \$ 4,624 | \$ 17,236 |
| At December 31, 2019 | \$ 4,440 | \$ 99 | \$ (2,013) | \$ 2,791 | \$ 5,095 | \$ 10,412 |
| Net (increase) decrease in regulatory deferral account credit balances (which are recognized in the net movement of regulatory deferral account balances related to net income on the Statement of Operations and Other Comprehensive Income): | | | | | | |
| December 31, 2018 | \$ 262 | \$ 99 | \$ 5,724 | \$ 339 | \$ (471) | \$ 5,953 |
| December 31, 2019 | \$ 263 | \$ 828 | \$ 5,031 | \$ 1,173 | \$ (471) | \$ 6,824 |
| Remaining recovery years | | | | | | |
| At December 31 2018 | 18 years | Indeterminate | Indeterminate | Indeterminate | 49 years | |
| At December 31, 2109 | 17 years | Indeterminate | Indeterminate | Indeterminate | 48 years | |
| Absent rate regulation, net income for the year end and net movement in regulatory deferral account balances on the Statement of Operations and Other Comprehensive Income would increase (decrease) by: | | | | | | |
| December 31, 2018 | \$ (262) | \$ (99) | \$ (5,724) | \$ (339) | \$ 471 | \$ (5,953) |
| December 31, 2019 | \$ (263) | \$ (828) | \$ (5,031) | \$ (1,173) | \$ 471 | \$ (6,824) |