YUKON
ENERGY

YUKON ENERGY CORPORATION
P.O. Box 5920
WHITEHORSE
YUKON Y1A 5L6
(867) 393-5300

April 24, 2009

YUKON UTILITIES BOARD		
EXHIBIT B-10		
DAY	ENTERED BY	DATE
	YEC	Apr 24 09

Ms. Wendy Shanks
Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Ms. Shanks:

Re: Updates to Yukon Energy Application

As set out in Yukon Energy's April 1, 2009 filing and pursuant to Board Order 2009-4, Yukon Energy was to provide an updated package including its preliminary unaudited 2008 actuals and updates to several interrogatory responses by April 24, 2009.[1] Attached are four appendices which include the following information:

Appendix A - Yukon Energy 2008/09 GRA Updates

Yukon Energy noted in its original filing or interrogatories that there were a number of items which required "updating". In addition Yukon Energy identified a number of corrections that were required to the Application. The updates/corrections dealt with in Appendix A are as follows:

1. Update to reflect final full service connection date of the Carmacks Stewart Transmission Project.[2]

2. Update to 2009 ROE to reflect BCUC levels approved for 2009.[3]

3. Correction to Tab 5 amounts for errors in (a) 2009 forecast closing Work-in-Progress from the values reported in the GRA which serves to lower 2009 net rate base and (b) a classification error in Table 5.2 of the Application in regards to distribution capital projects which has no effect on the revenue requirement.

4. Update to industrial "Fixed" Rider F to reflect final approvals for fuel price per litre provided in YECL's GRA proceeding.[4]

5. Update to estimated GRA hearing costs.[5]

---

[1] In interrogatories responses filed February 27, 2009 and March 6, 2009 Yukon Energy noted that the 2008 financial statements were in the process of being finalized and that preliminary actual 2008 results were not then available. Yukon Energy also noted that pursuant to section 25(1) of the Public Utilities Act, Yukon Energy was required to file its annual financial filing for 2008 by March 31, 2009.
[2] Noted as being required to be updated at page 8-9 of the Application document.
[3] Noted as item to be updated per Tab 8 page 8-4.
[4] As noted in Tab 4, Table 4.2.

There is no net effect to the non-industrial retail rate levels proposed in Yukon Energy's Application arising from these items.

Appendix B - 2008 Preliminary Unaudited Actual Results

In Appendix B there is a summary of 2008 preliminary unaudited actual results in the form of "tab 7" along with descriptions of material variances from 2008 forecasts. In addition, a number of revised IRs arising from the Board's directions in Board Order 2009-4 are included.

Appendix C - Information on Yukon Energy Panel

Yukon Energy will present one panel at the upcoming hearing. Information on the witnesses appearing on that panel are included in Appendix C along with the *curriculum vitae*.

Appendix D - Correction to Interrogatory YECL-YEC-1-19 Revised

In reviewing the April 14, 2008 filing made by Yukon Energy it was noted that this Interrogatory failed to include the word "not" at page 7, line 19 of that response. The correct response is provided in Appendix D.

In regards to the major rate changes proposed for retail non-industrial customers, Yukon Energy's updates reflect the following requested approvals:

(a) Finalize 2009 retail non-industrial rates as indicated in the original 2008/09 GRA filing. The updates reflect a revision to 2009 revenues required from firm non-industrial customers of $0.003 million, and consequently no practical change to rate approvals requested.

(b) Finalize 2008 retail non-industrial rates as charged in that calendar year (including the revised Rider J starting December 1, 2008 as approved in Board Order 2008-17), and including a revision to the proposed "Faro Dewatering Account" adjustment for 2008 of $0.228 million (from a proposed credit to the account of $0.141 million filed with the original GRA, to a proposed withdrawal from the account of $0.087 million as set out in the attached updates). This adjustment to the account has no effect on rate levels paid by Yukon ratepayers.

Yours truly

for David Morrison
President & CEO

[5] Per Application document, page 4, item 1(c)(i), and per revised interrogatory YECL-YEC-1-28(a) REVISED.

APPENDIX A: YUKON ENERGY 2008/09 GRA UPDATES

The following describes specific update information and/or adjustments related to key factors impacting 2008 and 2009 forecasts. A revised Tab 7 taking into account in Attachment A1:

1) ***Excess Revenue Forecast based on CSTP in service date:*** The Application noted that delay in CSTP in-service beyond the forecast October 1, 2008 date would result in adjustments to the Application for 2008. As stated in response to YUB-YEC-1-5, Commencement of Delivery to the Minto mine occurred November 22, 2008 and the line to Pelly Crossing was energized November 19, 2008. As reviewed in Attachment A1 [updated Tab 7] these delays impacted both revenue requirements and revenues for 2008[1]; no impacts occur for 2009.

   - Revenue requirement for 2008 is reduced by approximately $0.13 million [primarily $0.09 million approximate reduction in interest return, $0.03 million for reduced equity return and $0.01 million for reduced depreciation[2]].

   - Industrial and wholesale revenues due to the later CSTP in service date are reduced by $0.46 million ($0.44 million reduction in industrial revenues due to delayed sales to Minto and a reduced Fixed Rider F, and a $0.02 million reduction in wholesales revenues due to delay in service to Pelly Crossing).

   - Consequently, the combined impact of the above is to reduce 2008 excess revenue by approximately $0.33 million; the updated Table 4.1 Firm Rate Reduction for 2008 (see below) is $0.03 million (versus $0.36 million in the Application).

   - Schedule 11 of Tab 7, as adjusted, shows the Industrial and Wholesale sales changes as reviewed above, as well as the other related adjustments related to the reduced rider revenue rebate (due to delay in interim rate reductions until December 1, 2008) and related reductions needed to the Faro Dewatering Account.

2) ***Updated 2009 ROE:*** In the 2008/2009 Application filed in October 2008 a placeholder ROE of 8.64% was used for 2009 (based on the then BCUC benchmark ROE in 2008 for a low risk utility). It was noted at that time that the 2009 ROE would be updated based on BCUC calculations to be completed approximately at the end of November 2008.

[1] The response to YUB-YEC-1-17, notes an initial estimate of the updated excess revenues forecast for 2008 is approximately $43,300 (versus $359,000 as shown in Table 4.1 of Application). This estimate reflected an overall reduction in YEC 2008 net revenues by approximately $315,700 (estimated $431,500 loss of industrial sales plus an estimated $20,200 loss of Pelly Crossing wholesale revenues, less estimated savings of about $136,000 in depreciation and related cost (lower rate base and reduced Flexible Term Note)).

[2] Rate base reduction of approximately $0.54 million is addressed in Schedule 1 of Tab 7, and reflects the shorter period of service for CSTP in 2008; on the same basis, depreciation for CSTP was also reduced for 2008. Schedule 13 addresses reduction to the average cost of debt for 2008 resulting from the impact of lower WAF sales on Flexible Term Note interest costs. Based on these changes, Schedule 4 addresses changes to the utility return for 2008.

As noted in interrogatory LE-YEC-1-39, BCUC Letter No. L-55-08 (dated November 20, 2008) provides a 8.47% benchmark return on equity for a low risk utility. Considering the 0.52% risk premium for Yukon Energy approved in Board Order 2005-12 together with the 0.50% deduction directed by OIC 1998/32, the 2009 fair ROE for Yukon Energy is 8.49%.

On the approximately $151 million rate base mid-year for 2009 (at 40% equity), the lower 2009 ROE for YEC reduces the revenue requirement for 2009 by approximately $0.09 million (and increases the dollar value of the available rate decrease by the same amount).

3) ***Correction to Work-in-Progress in 2009, and Table 5.2:*** The figures in Table 5.1 and in Tab 7, Schedule 1 reflect a 2009 closing WIP value of $4.375 million. This value is incorrect. While it includes all amounts spent in 2009 that are forecast to be recorded in WIP at year-end, it fails to incorporate spending on these same projects that is forecast to occur in 2008 (for lengthy multi-year projects). It also contains a linking error. Consequently, the WIP in 2009 is understated by $1.121 million (should be $5.496 million), as follows:

- Aishihik 3rd turbine: $4.25 million
- Financial Software System Replacement: $0.575 million
- Electronic Document Management system: $0.225 million
- Dead end insulators: $0.180 million
- L170 Assessment Phase 2 Carmacks-Faro: $0.100 million
- S164 Reactor Replacement: $0.075 million
- Fish Ladder Building Upgrades: $0.059 million
- Projects under $50k: $0.032 million.

This reduces mid-year rate base by $561,000 in 2009 and decreases the revenue requirement by approximately $40,000 in that test year.

In addition, Table 5.2 of the application, in the summary of capital projects related to distribution, includes a classification error that has no overall effect on the total capital spending values presented in the application.

A revised Table 5.1 and 5.2 is provided in Attachment A2 to this filing.

4) ***Updated Minto Fixed Rider F:*** As set out in Table 4.2 of the Application, a "fixed" Rider F amount (to be recorded by YEC as revenue) of 0.585 cents/kWh is required to bring Industrial customers to a level basis with the Rider F rate established following the current GRAs for all other customers on the system. The Application determined the Fixed Rider F based on 2009 sales forecasts and approval of the then latest forward fuel price forecasts filed for 2009 (as GRA or Rider F fuel price forecasts)[3]. Based on this information the

[3] Table 4.2 in the Application used YECL's forecast average at 125 cents/litre for August 2008 through July 2009 per the July 10, 2008 Rider F filing; YEC's forecast average for 2009 at 117 cents/litre per the GRA Application; and secondary sales at 9.3 cents/kWh at the retail level for 2009 per the GRA Application.

forecast system-wide variance relevant to determining Minto's Rider F charges for 2009 was $1.961 million, or 0.585 cents/kWh for all firm sales (as set out in Table 4.2).

Since filing of the Application, Board Order 2009-2 has been issued accepting YECL's GRA forecast diesel fuel price for 2009 averaging 96 cents/litre. This lower fuel price for YECL decreases the Fixed Rider F rate from 0.585 cents/kWh to 0.109 cents/kWh as set out in Table 4.2 Revised, below. The primary impact of this revision is in 2009, where forecast industrial revenues from the Fixed Rider F decline from $0.170 million in 2009 to $0.032 million.

Table 4.2 Revised
Calculation of Minto "Fixed" Rider F Component

		Fuel price forecast ($/litre)		GRA 2009 litres	Variance
		2009	Nov 20/06		
YECL		0.96	0.8356	5,516,000	690,052
YEC		1.17	0.7868	451,380	173,095
					863,147
				kW.h	
Sec sales		0.082	0.052	16,613,000	(498,390)
					364,757
Sales					
	firm retail		YEC	31,019,000	
			YECL	275,091,304	
	industrial			29,023,000	
				335,133,304	
Fixed Rider F rate (cents/kW.h)					0.109

5) ***Updated Estimates of GRA Hearing Costs:*** Yukon Energy originally estimated hearing costs for the present proceeding at $800,000 and proposed to amortize these costs over 2 years. However, the scope of the proceeding to date has been well beyond that originally anticipated. In addition, Yukon Energy provided the placeholder GRA expense as a 2008 cost and consequently in rate base for 2008. As now known, most GRA hearing related costs will occur in 2009, which reduces the rate base amounts for 2008.

As described in the April 1, 2009 Request for further information filing, Yukon Energy has incurred significantly higher than expected costs. The revised IR response to YECL-YEC-1-28(a) and (b) provides that the hearing process cost is now expected to be $1,100,000 determined based on the following estimates:

Consulting	$480,000
Legal	220,000
Misc Internal	50,000
Board/Intervenor Costs	350,000
	$1,100,000

Approximately $0.277 million of this amount occurred in 2008, with the remainder forecast to occur in 2009.

As previously noted, subsequent to the hearing, Yukon Energy and intervenors will be filing actual costs for the Board's review and approval, and all final approved values are expected to be included in the balance to ultimately be amortized.

The GRA filing proposed that the then-anticipated $0.8 million of hearing costs be amortized over the 2 test years (at $0.4 million per year). While hearing costs are now higher than forecast, Yukon Energy proposes that the annual amortization of these costs remain at $0.4 million per year, such that a forecast $0.3 million will remain to be amortized in 2010 before all amounts are amortized (assuming that YEC does not currently expect to file a rate application for the 2010 test year). These adjustments in 2008 and 2009 affect mid-year Rate Base (Schedule 1) as well as Amortization of deferred costs (Schedule 5); the overall impact is to reduce revenue requirement slightly in each test year.

The net effect of the above five adjustments is a revision to Table 4.1 of the GRA application, as follows.

Table 4.1 Revised for 2008
Yukon Energy 2008 Revenue Required from Rates ($000s)

	2008 as filed	2008 Revised	Change
Revenue Requirement (from Tab 7, Schedule 5)	$29,217	$29,085	-$132
Less: Non-rate Revenues	$125	$125	
Less: Secondary rate revenues (section 4.2)	$1,396	$1,396	
Revenue Required from Firm Rates	$27,696	$27,564	-$132
Less: Revenues from Firm Sales at Existing Rates (including Rider J and "Fixed" component of industrial Rider F) (section 4.3 -see Tab 7, Sch. 11)	$28,055	$27,594	-$461
Firm Rate Reduction Proposed	($359)	($30)	-$329

Table 4.1 Revised for 2009
Yukon Energy 2009 Revenue Required from Rates ($000s)

	2009 as filed	2009 Revised	Change
Revenue Requirement (from Tab 7, Schedule 5)	$31,599	$31,463	-$136
Less: Non-rate Revenues	$125	$125	
Less: Secondary rate revenues (section 4.2)	$1,396	$1,396	
Revenue Required from Firm Rates	$30,105	$29,969	-$136
Less: Revenues from Firm Sales at Existing Rates (including Rider J and "Fixed" component of industrial Rider F) (section 4.3 -see Tab 7, Sch. 11)	$31,439	$31,300	-$139
Firm Rate Reduction Proposed	($1,334)	($1,331)	-$3

Yukon Energy Corporation
April 2009 Filing - Updates

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 - 2005 - 2007 Actuals
4B	Cost of Capital Calculation - 2008 Forecast
4C	Cost of Capital Calculation - 2009 Forecast
5	Utility Revenue Requirement
6	Statement of Earnings
7	Statement of Retained Earnings
8	Balance Sheet
9	Financing Summary
10	Reconciliation of Utility Income to Net Earnings
11	Summary of Customers, Energy Sales and Revenues
12	Summary of Operating and Maintenance Expenses
13	Summary of Cost of Long - Term Debt

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

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Property, Plant and Equipment**									
2	Year end balance	S.3 L.5	225,081	222,115	226,573	236,853	277,842	277,842	286,660	286,660
	Deduct:									
3	Accumulated depreciation (note 1)	S.3 L.10	71,749	69,718	73,664	78,492	82,982	82,982	89,309	89,309
4	Construction-in-progress	S.3 L.11	410	2,369	1,253	7,552	2,571	1,500	6,567	5,496
5	Disallowed assets	S.3 L.12	200	200	200	200	200	200	200	200
6	Miscellaneous reserves	S.3 L.13	9,896	9,974	8,879	8,354	8,084	8,084	7,814	7,814
7	Total deductions		82,255	82,261	83,996	94,598	93,836	92,765	103,889	102,818
	Add:									
8	Deferred study costs (note 2)	S.3 L.15	6,959	7,458	8,857	8,827	11,189	11,189	24,951	24,951
9	Less: Studies in Progress (note 3)	S.3 L.16				(2,847)	(2,571)	(2,571)	(17,026)	(17,026)
10	Other deferred costs (note 4)	S.3 L.17	118	119	71	23	(0)	(0)	121	121
11	Accum. Disallowed depreciation	S.3 L.18	62	62	66	70	74	74	78	78
12	Total additions		7,139	7,639	8,994	6,074	8,692	8,692	8,124	8,124
	Net plant in Service									
13	Current year-end balance	S.3 L.20	149,965	147,493	151,571	148,329	192,698	193,769	190,894	191,965
14	Previous year-end balance		147,023	147,023	147,493	151,571	148,329	148,329	192,698	193,769
15	Total		296,988	294,516	299,064	299,899	341,026	342,097	383,591	385,733
16	Mid-year balance		148,494	147,258	149,532	149,950	170,513	171,049	191,796	192,867
18	Mid-year rate case expense		473	473	466	690	1,070	965	1,070	1,026
19	Working capital	S.2 L.9	3,213	3,146	2,974	2,962	3,110	3,123	3,182	3,200
20	Adjustments for CSTP (Note 5)						(1,467)	(1,467)		
21	**Gross Rate Base**		152,179	150,877	152,971	153,602	173,226	173,670	196,048	197,093
	Deduct:									
	Contributions for extensions									
22	Current year-end balance		13,972	13,948	14,681	19,347	51,466	51,466	55,366	55,366
23	Contributions in WIP		-	118	209	4,674	1,500	1,500	5,000	5,000
24	Current year-end balance in-service		13,972	13,830	14,472	14,673	49,966	49,966	50,366	50,366
25	Accumulated amortization of contributions		2,170	2,150	2,495	2,852	3,286	3,286	4,376	4,376
26	Net current year-end balance in-service		11,802	11,680	11,977	11,821	46,680	46,680	45,989	45,989
27	Previous year-end balance		10,971	10,971	11,680	11,977	11,821	11,821	46,680	46,680
28	Total		22,773	22,651	23,657	23,798	58,501	58,501	92,669	92,669
29	Mid-year balance		11,386	11,325	11,828	11,899	29,251	29,251	46,335	46,335
30	**Net Rate Base**	S.5 L.1	140,793	139,552	141,143	141,703	143,976	144,419	149,713	150,758

Note 1: Including Reserve for Future Removal and Site Restoration
Note 2: Planning and Study costs, Relicencing and Dam Safety costs.
Note 3: Prior to 2007, studies in progress were not tracked for the purposes of determining ratebase
Note 4: Deferred Overhauls and deferred downsizing.
Note 5: CSTP came in service on Nov. 22nd, 2008, net ratebase impacts is adjusted downward $1,467k based on 39 services days compared to typical inservice mid-year ratebase impact of $1,866k.

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

Schedule 2
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Operating and maintenance	S.5 L.5	10,939	11,344	11,178	12,116	12,421	12,628	13,230	13,489
2	Taxes other than income	S.5 L.6	250	246	249	256	256	256	256	256
3	Non-allowable expenses		(435)	(272)	(57)	(83)	(85)	(85)	(85)	(85)
4	Cash operating expenses		10,754	11,318	11,370	12,288	12,592	12,799	13,401	13,660
5	27/365 in 2005		796	837	841	909	931	947	991	1,010
6	Inventory (Three year average)		2,546	2,442	2,264	2,164	2,211	2,211	2,279	2,279
7	GST Impact on working capital	S.2A L.11	(129)	(133)	(131)	(111)	(33)	(35)	(88)	(89)
8	Working capital	S.1 L.19	3,213	3,146	2,974	2,962	3,110	3,123	3,182	3,200

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

Schedule 2A
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Expenses subject to GST		10,816	10,394	10,043	15,571	48,161	48,645	27,425	28,506
2	GST Rate		7.00%	7.00%	6.50%	6.00%	5.00%	5.00%	5.00%	5.00%
3	GST Recoverable		757	728	652	934	2,408	2,432	1,371	1,425
4	Day Factor		14	14	14	14	14	14	14	14
5	Recoverable portion of GST impact		29	28	25	36	92	93	53	55
6	Revenue subject to GST		25,744	26,124	27,398	27,899	28,566	29,114	32,082	32,794
7	GST blended rate		6.41%	6.41%	5.95%	5.49%	4.58%	4.58%	4.58%	4.58%
8	GST payable		1,650	1,675	1,630	1,533	1,308	1,333	1,469	1,502
9	Day factor		35	35	35	35	35	35	35	35
10	Payable portion of GST impact		158	161	156	147	125	128	141	144
11	Net impact of GST on working capital	S.2 L.7	(129)	(133)	(131)	(111)	(33)	(35)	(88)	(89)

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

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Property, Plant and Equipment**									
2	Balance at beginning of year		219,526	219,526	222,115	226,573	236,853	236,853	277,842	277,842
3	Increases to PPE (Table 5.1)	S.9 L.2	5,555	4,300	4,687	10,280	42,132	42,132	9,078	9,078
4	Retirements, disposals and adjustments (note 1)		-	(1,711)	(229)	-	(1,143)	(1,143)	(260)	(260)
5	Balance at end of year	S.1 L.2	225,081	222,115	226,573	236,853	277,842	277,842	286,660	286,660
6	**Accumulated depreciation (including Future Removal Reserve)**									
7	Balance at beginning of year		66,482	66,482	69,718	73,664	78,492	78,492	82,982	82,982
8	Depreciation expense	S.6 L.7	5,267	5,083	5,132	5,302	5,632	5,632	6,587	6,587
9	Retirements, disposals and adjustments (note 1)		-	(1,847)	(1,186)	(473)	(1,143)	(1,143)	(260)	(260)
10	Balance at end of year		71,749	69,718	73,664	78,492	82,982	82,982	89,309	89,309
	Deduct:									
11	Construction-in-progress	S.1 L.4	410	2,369	1,253	7,552	2,571	1,500	6,567	5,496
12	Disallowed assets	S.1 L.5	200	200	200	200	200	200	200	200
13	Miscellaneous reserves (note 2)	S.1 L.6	9,896	9,974	8,879	8,354	8,084	8,084	7,814	7,814
14	Total		10,506	12,543	10,332	16,106	10,854	9,784	14,581	13,510
	Add:									
15	Deferred study costs (note 3)	S.1 L.8	6,959	7,458	8,857	8,827	11,189	11,189	24,951	24,951
16	Less: Studies in Progress	S.1 L.9		-	-	(2,847)	(2,571)	(2,571)	(17,026)	(17,026)
17	Other deferred costs	S.1 L.10	118	119	71	23	(0)	(0)	121	121
18	Accum. Disallowed depreciation	S.1 L.11	62	62	66	70	74	74	78	78
19	Total		7,139	7,639	8,994	6,074	8,692	8,692	8,124	8,124
20	Net Property, Plant and Equipment	S.1 L.13	149,965	147,493	151,571	148,329	192,698	193,769	190,894	191,965

Note 1: largely relate to retirements and disposals, as well as charges against the Reserve for Future Removal and Restoration (salvage)
Note 2: Includes Fire Insurance Reserve, Deferred Dewatering Revenues and the Reserve for Injuries and Damages
Note 3: Planning and Study costs, Relicencing and Dam Safety Review costs.

Yukon Energy Corporation
Cost of Capital Calculation
2005 Approved and 2005-2006 Actual
($000s)

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
	Final 2005 Approved						
1	Long-Term debt	S.13 L.14	86,858	60.0%	84,475	5.12%	4,327
2	Common Stock	S.8 L. 28	57,906	40.0%	56,318	9.05%	5,097
3	Total	S.5 L.3	144,764	100.0%	140,793	6.69%	9,424
	2005 Actual						
4	Long-Term debt	S.13 L.14	86,836	60.0%	83,731	5.18%	4,339
5	Common Stock	S.8 L. 28	57,891	40.0%	55,821	9.46%	5,279
6	Total	S.5 L.3	144,727	100.0%	139,552	6.89%	9,619
	Actual 2006						
7	Long-Term debt	S.13 L.14	88,588	60.0%	84,686	5.47%	4,631
8	Common Stock	S.8 L. 28	59,058	40.0%	56,457	10.59%	5,978
9	Total	S.5 L.3	147,647	100.0%	141,143	7.52%	10,609

Yukon Energy Corporation
Cost of Capital Calculation
2007 Actual and 2008 Forecast
($000s)

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
	Actual 2007						
1	Long-Term debt	S.13 L.14	90,124	60.0%	85,033	5.49%	4,666
2	Common Stock	S.8 L. 28	60,063	40.0%	56,670	9.45%	5,358
3	Total	S.5 L.3	150,187	100.0%	141,703	7.07%	10,024
	Updated Forecast for 2008 - Existing						
4	Long-Term debt	S.13 L.14	91,856	60.0%	86,396	5.60%	4,836
5	Common Stock	S.8 L. 28	61,218	40.0%	57,580	9.00%	5,184
6	Total	S.5 L.3	153,074	100.0%	143,976	6.96%	10,021
	Proposed 2008 - Full GRA						
7	Long-Term debt	S.13 L.14	91,803	60.0%	86,662	5.60%	4,854
8	Common Stock	S.8 L. 28	61,183	40.0%	57,757	8.64%	4,990
9	Total	S.5 L.3	152,985	100.0%	144,419	6.82%	9,845

Yukon Energy Corporation
Cost of Capital Calculation
2009 Forecast
($000s)

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
	Updated Forecast for 2009 - Existing						
1	Long-Term debt	S.13 L.14	94,015	60.0%	89,828	6.17%	5,539
2	Common Stock	S.8 L. 28	62,677	40.0%	59,886	11.10%	6,650
3	Total	S.5 L.3	156,692	100.0%	149,713	8.14%	12,189
	Proposed 2009 - Full GRA						
4	Long-Term debt	S.13 L.14	93,471	60.0%	90,455	6.20%	5,605
5	Common Stock	S.8 L. 28	62,314	40.0%	60,303	8.49%	5,119
6	Total	S.5 L.3	155,785	100.0%	150,758	7.11%	10,724

Yukon Energy Corporation
Utility Revenue Requirement
($000s)

Schedule 5
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Net rate base	S.1 L.30	140,793	139,552	141,143	141,703	143,976	144,419	149,713	150,758
2	Average Rate of return on rate base		6.69%	6.89%	7.52%	7.07%	6.96%	6.82%	8.14%	7.11%
3	Utility income	S.10 L.1	9,424	9,619	10,609	10,024	10,021	9,845	12,189	10,724
4	Utility expenses									
5	Operating and maintenance (note 1)	S.6 L.3	10,939	11,344	11,178	12,116	12,421	12,628	13,230	13,489
6	Taxes other than income	S.6 L.4	250	246	249	256	256	256	256	256
7	Amortization of deferred costs	S.6 L.5	1,096	889	1,098	1,108	978	1,467	1,219	1,707
8	Reserve for Injuries and Damages	S.6 L.6	100	100	100	100	50	50	50	150
9	Depreciation	S.6 L.7	5,267	5,083	5,132	5,302	5,632	5,632	6,587	6,587
10	Amortization of contributions	S.6 L.8	(601)	(589)	(615)	(627)	(704)	(704)	(1,361)	(1,361)
11	Disallowed depreciation		(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
12	Donations		(85)	(71)	(57)	(83)	(85)	(85)	(86)	(85)
13	Disallowed Expenses (note 2)		(350)	(201)						
14	Total utility expenses		16,612	16,797	17,081	18,167	18,545	19,240	19,891	20,739
15	Revenue Requirement		26,036	26,416	27,690	28,191	28,566	29,085	32,081	31,463
16	Faro Dewatering Account transfer		292	292	292	292	0	0	0	0
17	Revenue required after transfer from Faro de-watering account	S.6 L.1	25,744	26,124	27,398	27,899	28,566	29,085	32,081	31,463

Note 1: Includes fuel expenses and purchased power.
Note 2: Operating and Maintenance Expenses in Schedules 6 and 5 include $47,000 for training costs and $102,000 for Board of Director's costs that were disallowed by the YUB in Order 2005-12. These amounts are removed in Schedule 5 as "disallowed expenses" and not included in Yukon Energy's revenue requirement. Included in disallowed expenses for 2005 approved and 2005 actuals is $201,000 for rate case expenses that were not allowed by the Board pursuant to Order 2005-17 (the difference between $851k spending by YEC and the $650k allowed by the Board in Order 2005-17)

Yukon Energy Corporation
Statement of Earnings
($000s)

Schedule 6
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Revenues (note 1)	S.5 L.17	25,744	26,124	27,398	27,899	28,566	29,084	32,082	31,463
2	**Operating expenses**									
3	Operating and maintenance	S.12 L.15	10,939	11,344	11,178	12,116	12,421	12,628	13,230	13,489
4	Taxes other than income	S.5 L.6	250	246	249	256	256	256	256	256
5	Amortize deferred costs	S.5 L.7	1,096	889	1,098	1,108	978	1,467	1,219	1,707
6	Reserve for Injuries and Damages	S.5 L.8	100	100	100	100	50	50	50	150
7	Depreciation	S.3 L.8	5,267	5,083	5,132	5,302	5,632	5,632	6,587	6,587
8	Amortization of contributions	S.5 L.10	(601)	(589)	(615)	(627)	(704)	(704)	(1,361)	(1,361)
9	Faro Dewatering Account transfer	S.5 L.16	(292)	(292)	(292)	(292)	-	-	-	-
10	Total		16,759	16,781	16,849	17,963	18,634	19,329	19,981	20,828
11	**Operating income**		8,985	9,343	10,548	9,937	9,932	9,755	12,100	10,635
12	**Other income**									
13	Allowed for Funds Used	S.10 L.2	17	101	54	138	790	790	798	798
14	Miscellaneous (note 2)	S.10 L.3 + 9	(809)	(1,121)	(819)	(222)	(350)	(350)	-	-
15	Total		(792)	(1,020)	(765)	(84)	440	440	798	798
16	**Other expenses**									
17	Interest expense	S.10 L.4	4,449	4,500	4,845	4,946	5,142	5,142	5,797	5,792
18	Total		4,449	4,500	4,845	4,946	5,142	5,142	5,797	5,792
19	**Net earnings**	S.10 L.9	3,744	3,822	4,939	4,907	5,229	5,053	7,101	5,642

Note 1: Revenues reported on Yukon Energy's audited Financial Statements (Tab 9) include the Faro Dewatering transfer, which is set out in the above schedule as an offset to costs consistent with the presentation in Yukon Energy's 2005 RRRA proceeding. Revenues in Yukon Energy's audited Financial Statements also include the total recoveries from sales to related parties, while the costs of providing these services is included in Operating and Maintenance; the above schedule includes these revenues from related parties on a net basis.

Note 2: Miscellaneous primarily consistent of write-downs of Mayo-Dawson (2005, per Board Order 2005-12) plus write-offs of ongoing Mayo Dawson legal claim proceeding amounts.

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

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Balance at beginning of year		18,424	18,400	19,381	20,735	21,391	21,391	23,045	22,975
	Add:									
2	Net earnings	S.6 L.19	3,744	3,822	4,939	4,907	5,229	5,053	7,101	5,642
3			22,168	22,222	24,320	25,642	26,620	26,444	30,147	28,616
	Less:									
4	Common dividends	S.9 L.5	2,781	2,841	3,585	4,251	3,575	3,469	5,838	4,963
5	Balance at end of year	S.8 L.27	19,387	19,381	20,735	21,391	23,045	22,975	24,309	23,653

Yukon Energy Corporation
Balance Sheet
($000s)

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Current assets**									
2	Cash *(and equivalents)*		1,867	4,067	5,950	6,236	3,168	3,204	(8,423)	(10,182)
3	Accounts receivable		3,969	4,020	4,226	3,726	20,082	20,082	19,393	19,393
4	Fuel, materials and supplies		2,426	2,100	2,040	2,352	2,241	2,241	2,244	2,244
5	Prepaid expenses		184	218	181	185	185	185	185	185
6	Total		8,446	10,405	12,397	12,500	25,677	25,712	13,399	11,640
7	**Long Term Receivables**		53	(33)	500	463	463	0	463	0
8	**Funds Held in Trust**		788	791	821	856	891	891	927	927
	Fixed assets									
9	Property, plant and equipment, cost (note 2)	S.1 L.2	225,081	222,115	226,573	236,853	277,842	277,842	286,660	286,660
10	Accumulated depreciation + future removal	S.1 L.3	71,749	69,718	73,664	78,492	82,982	82,982	89,309	89,309
11	Contributions for extensions, net	S.1 L.26	11,802	11,798	12,186	16,495	48,180	48,180	50,989	50,989
12	Total		141,530	140,599	140,723	141,865	146,680	146,680	146,362	146,362
13	**Deferred charges (note 2)**		7,705	8,195	9,238	9,921	12,259	12,048	26,142	26,265
14	**Total assets**		158,523	159,958	163,680	165,607	185,972	185,332	187,294	185,195
15	**Current liabilities**									
16	Interim Capital Financing		-							
17	Accounts payable and accrued (note 1)		1,821	3,273	4,142	4,900	20,915	20,915	19,680	19,680
18	Current portion of long-term debt		1,376	1,454	3,212	3,330	3,944	3,944	4,043	4,043
19	Total		3,197	4,727	7,354	8,230	24,859	24,859	23,723	23,723
20	**Miscellaneous liabilities**									
21	Trust liability		788	791	821	856	1,398	1,398	1,068	1,068
22	Deferred revenue		8,174	8,166	7,896	7,626	7,356	7,356	7,086	7,086
23	Regulatory Liabilities		1,775	1,775	1,483	1,191	1,191	728	1,191	728
24	**Long-Term Debt**		86,203	86,119	86,392	87,314	89,124	89,018	90,918	89,937
25	**Total liabilities**		100,137	101,578	103,946	105,217	123,927	123,358	123,986	122,542
	Shareholder's Equity									
26	Common shares		39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
27	Retained earnings	S.7 L.5	19,387	19,381	20,735	21,391	23,045	22,975	24,309	23,653
28	Total		58,387	58,381	59,735	60,391	62,045	61,975	63,309	62,653
29	**Total liabilities and shareholder's equity**		158,523	159,958	163,680	165,607	185,972	185,332	187,295	185,196

Note 1: Yukon Energy's audited financial statements include in "current portion of long-term debt" any "true-up" principal payable on the Flexible Term Note as of December 31 of the year that are not actually paid until January of the following year once the calendar year WAF loads are confirmed. The above balance sheet reports these amounts as "accounts payable" in order to reflect their status as short-term payments and not properly long-term debt being used to finance ratebase.

Note 2: At year-end 2007, Yukon Energy's audited financial statements recorded $0.793 million as capital assets that are classed above as "deferred charges" and are set out in Table 5.5. This is the Minto Mine PPA negotiation and due diligence costs ($0.768 million to year-end 2007), as well as costs incurred for planning the potential Western Copper Transmission Line Connection ($0.025 million).

Yukon Energy Corporation
Financing Summary
($000s)

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Funds Required**									
2	Additions to property, plant and equipment	S.3 L.3	5,555	4,300	4,687	10,280	42,132	42,132	9,078	9,078
3	Additions to deferred costs		1,957	2,241	2,140	1,791	3,317	3,594	15,102	15,925
4	Repayments of long-term debt		1,339	1,368	1,554	3,211	3,391	3,391	3,944	3,944
5	Common dividends	S.7 L.4	2,781	2,841	3,585	4,251	3,575	3,469	5,838	4,963
6	Increase in Long-Term Receivables		100	14	633	63	50	50	50	150
7	Increase in Trust Assets		16	19	30	35	35	35	36	36
8	Asset Retirement/Disposal/Salvage		-	136	957	473	-	-	-	-
9	Total		11,748	10,919	13,586	20,106	52,500	52,671	34,048	34,096
10	**Funds available from operations**									
11	Net earnings	S.6 L.19	3,744	3,822	4,939	4,907	5,229	5,053	7,101	5,642
12	Add: Non-cash expenses such as									
13	depreciation		5,862	5,483	5,715	5,883	5,957	6,445	6,495	7,084
14	Increase in Customer Contributions		600	576	733	4,666	32,119	32,119	3,900	3,900
15	Increase in Regulatory Liabilities		(292)	(292)	(292)	(292)	-	-	-	-
16	Decrease (increase) in working capital		(963)	(1,530)	(1,123)	656	2,837	2,802	11,043	12,837
17	Increase in Trust Liabilities		16	19	30	35	542	542	(330)	(330)
18	Total		8,966	8,078	10,001	15,855	46,685	46,962	28,210	29,133
19	**Cash deficiency**		2,781	2,841	3,585	4,251	5,815	5,709	5,838	4,963
20	**Long-term funds required**									
21	Issue common shares		-	-	-	-	-	-	-	-
22	Issue long-term debt		2,781	2,841	3,585	4,251	5,815	5,709	5,838	4,963
23	Total		2,781	2,841	3,585	4,251	5,815	5,709	5,838	4,963

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

Schedule 10
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	Utility Income (Return on Rate Base)	S.5 L.3	9,424	9,619	10,609	10,024	10,021	9,845	12,189	10,724
	Add:									
2	Allowance for funds used	S.6 L.13	17	101	54	138	790	790	798	798
3	Other income (expenses)	S.6 L.14	(809)	(1,121)	(819)	(222)	(350)	(350)	-	-
			8,632	8,599	9,844	9,940	10,460	10,285	12,987	11,522
	Less:									
4	Interest - long-term	S.6 L.17	4,449	4,500	4,845	4,946	5,142	5,142	5,797	5,792
5	Donations	S.5 L.12	85	71	57	83	85	85	86	85
6	Disallowed costs	S.5 L.13	350	201	-	-	-	-	-	-
7	Disallowed depreciation	S.5 L.11	4	4	4	4	4	4	4	4
			4,888	4,776	4,905	5,033	5,231	5,231	5,887	5,881
8	Net earnings		3,744	3,822	4,939	4,907	5,229	5,054	7,100	5,642
9	Net earnings per financial statements	S.6 L.19	3,744	3,822	4,939	4,907	5,229	5,054	7,100	5,642

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

Line No.	Description	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Residential**								
2	Customers	1,302	1,336	1,365	1,390	1,416	1,416	1,432	1,432
3	Sales in MWh	10,201	10,169	10,665	10,908	11,155	11,155	11,183	11,183
4	MWh sales per customer	7.8	7.6	7.8	7.8	7.9	7.9	7.8	7.8
5	Revenue ($000s)	1,208	1,215	1,267	1,313	1,319	1,315	1,335	1,305
6	Cents per KWh	11.84	11.95	11.88	12.04	11.83	11.79	11.94	11.67
7	**General Service**								
8	Customers	447	450	447	450	450	450	457	457
9	Sales in MWh	16,808	18,438	17,037	17,507	18,193	18,193	19,543	19,543
10	MWh sales per customer	37.6	41.0	38.1	38.9	40.4	40.4	42.8	42.8
11	Revenue ($000s)	2,305	2,470	2,301	2,376	2,442	2,442	2,637	2,637
12	Cents per KWh	13.71	13.40	13.51	13.57	13.42	13.42	13.49	13.49
13	**Industrial**								
14	Sales in MWh	0	0	0	0	2,976	2,976	29,023	29,023
15	Revenue ($000s)	0	0	0	0	308	311	3,142	3,173
16	Cents per KWh	7.00	7.00	7.00	7.00	10.35	10.45	10.83	10.93
17	**Street lights**								
18	Sales in MWh	252	257	270	275	278	278	278	278
19	Revenue ($000s)	65	66	69	71	71	71	71	71
20	Cents per KWh	25.75	25.64	25.64	25.62	25.64	25.64	25.63	25.63
21	**Space lights**								
22	Sales in MWh	13	14	14	14	14	14	15	15
23	Revenue ($000s)	2	3	3	3	3	3	3	3
24	Cents per KWh	19.76	21.89	21.48	22.00	21.82	21.82	21.54	21.54
25	**Total Company - Firm Retail and Industrial**								
26	Customers	1,749	1,786	1,812	1,840	1,866	1,866	1,889	1,889
27	Sales in MWh	27,274	28,878	27,987	28,705	32,616	32,616	60,042	60,042
28	Revenue ($000s)	3,580	3,754	3,641	3,763	4,143	4,142	7,188	7,190
29	Cents per KWh	13.13	13.00	13.01	13.11	12.70	12.70	11.97	11.98
30	**Wholesale sales**								
31	Sales in MWh	234,542	237,419	251,861	254,914	258,726	258,726	266,926	266,926
32	Revenue ($000s)	16,043	16,239	17,227	17,436	17,697	17,701	18,258	18,287
33	Cents per KWh	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.85
34	**Total Company - Firm**								
35	Sales in MWh	261,816	266,296	279,847	283,619	291,342	291,342	326,968	326,968
36	Revenue ($000s)	19,623	19,993	20,868	21,199	21,840	21,843	25,446	25,477
37	Cents per KWh	7.49	7.51	7.46	7.47	7.50	7.50	7.78	7.79
38	**Secondary**								
39	Sales in MWh	20,613	18,933	22,185	24,225	20,557	20,557	16,613	16,613
40	Revenue ($000s)	854	767	917	1,000	850	1,396	688	1,369
41	Cents per KWh	4.14	4.05	4.13	4.13	4.13	6.79	4.14	8.24
42	**Total Company**								
43	Sales in MWh	282,428	285,229	302,032	307,844	311,898	311,898	343,581	343,581
44	Revenue ($000s)	20,477	20,760	21,785	22,200	22,690	23,239	26,134	26,846
45	Cents per KWh	7.25	7.28	7.21	7.21	7.27	7.45	7.61	7.81
46	Rider J at 14.93%	5,173	5,246	5,451	5,585	5,750	5,750	5,823	5,823
47	Rider adjustment (J or U)						-117		-1,331
48	Post-GRA Reconcil Req'd (Note 2)						87		
49	Total Sales of Power	25,649	26,006	27,236	27,785	28,441	28,960	31,957	31,338
50	Other Revenues	95	118	161	115	125	125	125	125
51	Total Revenues (note 1)	25,744	26,124	27,398	27,899	28,566	29,085	32,082	31,463

Note 1: Per Schedule 6, revenues do not include approved transfers from the Faro Mine Dewatering Account

Note 2: Yukon Energy is seeking to calculate Rider adjustments to address the $1.331 million annual rate reduction in 2009. Rider adjustments in 2008 were implemented starting December 1, 2008. The Rider was not developed to refund the precise value of calculated surplus in 2008. Following final approval of YEC's GRA, 2008 revenue requirements and Rider adjustments will be reconciled and any additional necessary adjustments will be addressed in the YEC refiling following a final YUB Order. At this time the amount that is expected to be adjusted is $87,000, subject to revisions to YEC's revenue requirements as ordered by the Board.

Yukon Energy Corporation

Summary of Operating and Maintenance Expenses
($000s)

Schedule 12
April 2009

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Forecast Existing 2008	Forecast Proposed 2008	Forecast Existing 2009	Forecast Proposed 2009
1	**Utility operations**									
2	Production		2,872	2,958	3,179	3,281	2,771	2,771	2,977	2,977
3	Transmission and distribution		1,297	1,151	1,344	1,306	1,626	1,626	1,793	1,793
4	General		571	727	783	848	899	899	952	952
5	Administration and general (note 1)		4,953	5,141	4,824	5,511	5,845	5,845	6,148	6,148
6	Insurance (excluding auto)		910	909	813	814	914	914	952	952
7	Sub-total		10,603	10,887	10,944	11,761	12,056	12,056	12,822	12,822
8	Donations		85	72	56	83	85	85	85	85
9	Sub-total		85	72	56	83	85	85	85	85
10	O&M not including fuel and									
11	purchased power		10,688	10,959	11,000	11,844	12,141	12,141	12,907	12,907
12	Fuel		213	137	126	218	227	434	270	528
13	Purchased power		38	48	52	53	53	53	54	54
14	Sub-total		251	185	178	271	280	487	324	582
15	Total operating and maintenance	S.6 L.3	10,939	11,144	11,178	12,115	12,421	12,628	13,230	13,489
	Operating and Maintenance Expense Reported in Tab 3 excludes fuel and purchase power, but also includes the following:									
16	*Reserve for Injuries and Damages*			*100*	*100*	*100*	*50*	*50*	*50*	*150*
17	*Property Taxes*			*246*	*249*	*256*	*256*	*256*	*256*	*256*
18	*less: Donations*			*-72*	*-56*	*-83*	*-85*	*-85*	*-85*	*-85*
19	*O&M per Tab 3*			*11,233*	*11,293*	*12,116*	*12,362*	*12,362*	*13,128*	*13,228*

Note 1: In 2005 actuals, administration and general expenses exclude $201,000 which was spent on rate case but disallowed by YUB. Consequently the 2005 Actuals in the above table is $201,000 lower than reported on the full Statement of Earnings in Schedule 6.

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

Line No.	Description	Cross Ref.	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Existing 2008	Proposed 2008	Existing 2009	Proposed 2009
	General Purpose Long-Term Debt Balance									
1	Canada Flexible Term Note (7%)		27,895	27,867	27,317	26,751	26,118	26,118	25,181	25,181
2	TD Note (7.81%)		8,945	8,946	8,392	7,804	7,163	7,163	6,471	6,471
3	YDC Loan #12 (5.88%)		27,313	27,313	27,313	25,706	24,100	24,100	22,493	22,493
4	YDC Loan #13 (6.03%)		3,689	3,649	3,649	3,649	3,649	3,649	3,649	3,649
5	YDC Loan #14 (5.40%)		2,781	2,841	2,841	2,841	2,841	2,841	2,841	2,841
6	YDC Mayo-Dawson Note (6.55%)		16,957	16,957	16,507	16,057	15,607	15,607	15,157	15,157
7	YDC Loan #15 (5.34%)				3,585	3,585	3,585	3,585	3,585	3,585
8	YDC Loan #16 (5.28%)					4,251	4,251	4,251	4,251	4,251
9	YDC Loan #17 (5.28%)						3,575	3,469	3,575	3,469
10	YDC Loan #18 (5.28%)								5,838	4,963
11	Minto Diesel (7.50%)						2,179	2179	1,921	1921
12	Current year-end balance		87,579	87,573	89,604	90,644	93,068	92,962	94,962	93,981
13	Previous year-end balance		86,137	86,100	87,573	89,604	90,644	90,644	93,068	92,962
14	Mid Year		86,858	86,836	88,588	90,124	91,856	91,803	94,015	93,471
	Interest Costs									
15	Canada Flexible Term Note (7%)		759	814	1,074	1,083	1,184	1,184	1,714	1,714
16	TD Note (7.81%)		722	720	681	635	587	587	535	535
17	YDC Loan #12 (5.88%)		1,606	1,606	1,606	1,582	1,488	1,488	1,393	1,393
18	YDC Loan #13 (6.03%)		222	220	220	220	220	220	220	220
19	YDC Loan #14 (5.40%)		0	0	153	153	153	153	153	153
20	YDC Mayo-Dawson Note (6.55%)		1,140	1,140	1,111	1,081	1,052	1,052	1,022	1,022
21	YDC Loan #15 (5.34%)					191	191	191	191	191
22	YDC Loan #16 (5.28%)						224	224	224	224
23	YDC Loan #17 (5.28%)								189	183
24	YDC Loan #18 (5.28%)									
25	Minto Diesel (7.50%)						42	42	155	155
26	**Total Cost of Interest**		4,449	4,500	4,845	4,946	5,142	5,142	5,797	5,792
27	Mid-Year Cost of Debt		5.12%	5.18%	5.47%	5.49%	5.60%	5.60%	6.17%	6.20%

YUKON ENERGY CORPORATION **Table 5.1**
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT **September 2008**
($000S)

Description	Actual 2005	2006	2007	Forecast 2008	2009
SUMMARY - RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT					
Work in Progress (WIP), Beginning of Year	1,940	2,369	1,263	7,552	1,500
Total Major Projects			5,909	38,329	4,250
Ongoing Capital					
Total Transmission	1,327	809	593	155	890
Total Distribution	1,326	848	611	661	700
Total Generation	669	2,175	1,886	983	819
Total General Plant & Equipment	2,304	2,158	2,091	2,004	2,419
Subtotal Ongoing Capital	5,626	5,990	5,182	3,803	4,828
Total Expenditures	5,626	5,990	11,091	42,132	9,078
includes:					
AFUDC	*102*	*51*	*93*	*735*	*162*
Transfer to RSFR		-79	-99		
Transferred to Income Statement	-93		-16		
Total WIP Adjustments and Transfers	-93	-79	-115	0	0
Transfer to Ratebase	-5,104	-7,017	-4,686	-48,184	-5,082
WIP end of year	**2,369**	**1,263**	**7,552**	**1,500**	**5,496**
Opening PPE in-service	217,581	219,747	225,304	229,301	276,342
Transfer from WIP	5,104	7,017	4,686	48,184	5,082
Other Adjustments	-1,196	-649	-136		
Retirements	-1,742	-811	-553	-1,143	-260
Closing PPE in-service	**219,747**	**225,304**	**229,301**	**276,342**	**281,164**
Opening Total PPE (in-service plus WIP)	219,521	222,116	226,567	236,853	277,842
Change to total PPE	2,595	4,451	10,286	40,989	8,818
Closing total PPE	**222,116**	**226,567**	**236,853**	**277,842**	**286,660**
RECONCILIATION OF CUSTOMER CONTRIBUTIONS					
Opening Customer Contributions WIP	570	118	209	4,674	1,500
Customer Contributions Received	577	734	215	1,930	3,900
CSTP Customer Contributions			4,450	30,189	
less: transfer to Rate Base	-1,029	-643	-201	-35,293	-400
Customer Contributions WIP end of year	118	209	4,674	1,500	5,000
Opening Gross Customer Contributions in Service	12,801	13,830	14,472	14,673	49,966
Transfers from WIP	1,029	643	201	35,293	400
Retirements, Disposals and Adjustments					
Closing Gross Customer Contributions in Service	13,830	14,472	14,673	49,966	50,366
Opening Total Contribution (in-service plus WIP)	13,371	13,948	14,682	19,347	51,466
Change to total Contribution	577	734	4,665	32,119	3,900
Closing total Contribution	**13,948**	**14,682**	**19,347**	**51,466**	**55,366**

YUKON ENERGY CORPORATION **Table 5.2**
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT **September 2008**
($000S)

	Actual			Forecast	
Description	**2005**	**2006**	**2007**	**2008**	**2009**
Major Projects					
Carmacks Stewart/Minto Spur Transmission Line Phase I			5,502	32,881	
Minto Diesels				2,440	750
FD1 Re-Build			407	1,158	
P126 WD3 Re-build				1,100	
AH3 Construction				750	3,500
Total Major Projects	**0**	**0**	**5,909**	**38,329**	**4,250**
Transmission					
M/D Transmission Line Deficiencies	509	123			
Stewart Crossing 3 Phase Upgrade	225				
2005 WAF Transmission Upgrades	158				
M/D Vibration Dampeners	125				
L-170 Yukon River Crossing	104	183			
PT Substation South Fox Lake		120			
Elsa Line Upgrade		96			
2006 WAF Transmission Upgrades		92			
L171 Aishihik River Crossing		74			
2007 WAF Transmission Upgrades			254		
L174 Protection Co-ordination Study			87		
Mayo - Dawson Transmission Line Drawings				50	
Dead End Insulators					180
WAF Transmission Upgrades					175
L169/L170 Pole Treatment					115
L250 2008 Transmission Line Upgrades					100
L170 Assessment Phase 2 Carmacks - Faro					100
Transmission Line Assessment and Repairs					75
S164 Reactor Replacement					75
Blocking Switches					50
Other projects under 50K	207	120	253	105	20
Total Transmission	**1,327**	**809**	**593**	**155**	**890**
Distribution					
Mayo Houses	382	66			
YTG Street Lights	322				
Land Management & Easement Project	108	113	90		
PCB Related Expenses		92			
Transformer Replacement			71		
Customer Extensions	476	422	290	475	475
Land Management & Easement Project				100	100
Distribution Improvements				50	50
S250 Voltage Regulator Automation					50
Other projects under 50K	39	155	161	36	25
Total Distribution	**1,326**	**848**	**611**	**661**	**700**

YUKON ENERGY CORPORATION **Table 5.2**
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT **September 2008**
($000S)

	Actual			Forecast	
Description	**2005**	**2006**	**2007**	**2008**	**2009**
Generation					
WH1 Trunion Bushing	370				
Mayo Hydro Plant Extension	70				
AH2 Rewind Stator		721			
AH2 Rewind Mechanical		305			
AH2 Rewind Rotor		268			
Aishihik Cable Replacement		241			
AH2 Protection Upgrade		88			
Mayo Alternate Power Source		65			
S150-52-19 Breaker Replacement		55			
WH4 Life Extension Project			550		
P126 Mirrlees Cooling System Upgrade			469		
Underground Fuel Piping Remediation/Replacement			142		
WH3 & P125 Governor Upgrade			127		
Balance of Plant Mechanical & Civil			83		
AH1 Protection Upgrade			59		
P126 Mirrlees Electrical Upgrades				150	
P126 Mirrlees Cooling System Replacement				150	
P126 Mirrlees Auxiliary Systems Replacement				150	
RTU Upgrade FD0 Faro				77	
Callison Synch Condenser PLC				68	
AH0 Current Transformer Replacements				67	
Purchase & Installation of Time Synchronizers				58	
Faro PLC				54	
WH0 Improve Spill Regulation				25	200
Wareham Intake Walkway				25	125
Wareham Intake Rock Scaling					105
RTU Upgrade P127					80
AH0 Deluge System					69
WD4 Control Upgrade					60
Hydrocarbon Containment and Detection Systems for Diesel Plants					50
Air Emission Control Systems					50
Other projects under 50K	228	432	456	160	80
Total Generation	**669**	**2,175**	**1,886**	**983**	**819**

YUKON ENERGY CORPORATION **Table 5.2**
EXPENDITURES ON PROPERTY, PLANT AND EQUIPMENT **September 2008**
($000S)

	Actual			Forecast	
Description	**2005**	**2006**	**2007**	**2008**	**2009**
General Plant & Equipment					
Transportation Equipment (Purchase)	404				
Drury Creek Rebuild	154				
Whitehorse Rapids Instrument Upgrade	99				
Firewall Repatriation	87				
PCB Testing, Disposal & Replacement	71				
San Storage	66				
Electric Boiler Replacement P126	66				
PC/Laptop Replacement	65				
Printers, Scanners & Copiers	59				
SCADA Control Diesel Plant & Calsn	56				
Crane Truck		268			
Fibre Installation (MH to DP)		248			
NND FN C-6 SBDVN		168			
Server Replacements		143			
Transportation Equipment (Purchase)		137			
Mayo Feeder Relocation		114			
Small Building Fire Alarm System		100			
S150-52-15 Breaker Replacement		88			
Routers Hubs & Switches		65			
Mayo Lake Trash Rack Improvements		56			
PC/Laptop Replacements		53			
Communications Network Improvements		51			
Transportation Equipment (Purchase)			441		
VM Ware Implementation			161		
Web Server			102		
Kulan Forklift			100		
Communications Network Improvements			97		
PC/Laptop Replacements			93		
SCADA Control Diesel Plant & Calsn			93		
SCC UPS Addition			78		
Main Office Sprinkler System			76		
Office Space Renovations			72		
Office Building 3 Floor Cooling			67		
Digital Radio Replacement			54		
Vehicle Purchases 2006-2010 updated 2008 BP				209	288
Power Line Carrier Takhini - AH Replacement				155	
Off-Road Maintenance Vehicle Purchase				150	300
SCADA Replacement				150	118
DRP/BCP Plan Development				150	75
1 Bucket Truck				130	
Financial Systems Software Replacement (JDE)				125	450
Electronic Document Management				125	100
Server Replacements				102	35
Hatchery Upgrades				67	
Communications Network Improvements				65	56
Security Risk Management (2008)				50	50
Callison Site Work & Warehousing				50	
Main Office Sprinkler System					100
Exchange Server Replacement					97
P126 Mirrlees Bay Exhaust Fans					65
Repeater Install-Mount Berdeau (Carmacks)					65
Waste Management Storage Systems					65
Fish Ladder Building Upgrades					60
Other projects under 50K	1,177	667	657	476	496
Total General PPE	**2,304**	**2,158**	**2,091**	**2,004**	**2,419**
TOTAL	**5,626**	**5,990**	**11,091**	**42,132**	**9,078**

Appendix B: Information on 2008 Actuals

Pursuant to section 25 of the *Public Utilities Act,* Yukon Energy filed preliminary unaudited financial results with the Board. Board Order 2009-4 directed Yukon Energy to provide the information as an update to certain specific interrogatories, and in the format of Tab 7, and to provide a full explanation of all variances of 10 percent or more.

Yukon Energy continues to progress through its year-end audit process, and all numbers provided as actuals continue to be subject to ongoing changes and revisions as a result of the audit process. A number of revisions have been identified since the material was filed with the Board pursuant to Section 25 on April 1, 2009 resulting in an improvement in net income (from $4.00 million to $4.29 million) and ROE (from 6.7% to 7.2%) as a result of audit adjustments. The specific adjustments are noted in Attachment B1.

Based on the present level of 2008 actual results, Table 1 below shows the variances that arise in the 2008 preliminary actuals in comparison to 2008 forecasts. Material variances (as defined by the Board as being over 10%) are in the areas of fuel and purchased power (over forecast by 18%), and in non-fuel operating and maintenance expenses (over forecast by 11%)

Table 1 - 2008 Preliminary Expense Actuals compared to GRA forecasts

	Preliminary Actual 2008 (No GRA)	Forecast 2008 (No GRA)	2008 Act vs 2008 Forecast (No GRA)	Percentage Difference
Fuel and Purchased Power	$ 332	$ 280	$ 52	18%
Non-Fuel Operating and Maintenance	13,719	12,362	$ 1,357	11%
Depreciation and Amortization	5,828	5,914	$ (86)	-1%

Fuel and Purchased Power was above forecast entirely due to fuel consumed in December, 2008 (nearly half the diesel generation in 2008 was in December), which had temperatures well below normal.

Non-fuel operating and maintenance expenses were above forecast by 11% or $1.357 million, as shown in Table 2.

Table 2 – 2008 Preliminary Non-Fuel Operating and Maintenance Expense Actuals

	Preliminary Actual 2008 (No GRA)	Forecast 2008 (No GRA)	2008 Act vs 2008 Forecast	Percentage Difference
Labour	$ 7,288	$ 6,676	$ 612	9%
Production	959	657	$ 302	46%
Transmission	731	507	$ 224	44%
Distribution	122	148	$ (26)	-18%
General O&M	881	807	$ 74	9%
Administration	2,672	2,347	$ 325	14%
Insurance and Reserve for Injuries/Damages	798	964	$ (166)	-17%
Property Taxes	268	256	$ 12	5%
Total OM&A	$ 13,719	$ 12,362	$ 1,357	11%

As noted in Table 2, the categories that varied above forecast by approximately 9% or greater are as follows:

- Labour (9%, or $0.612 million): The variance in labour relates to certain one-time accounting items required in 2008, as well as $0.084 million for an adjustment to pension costs that will carry over to 2009 (for 2009, the new information indicates $0.135 million higher cost than included in the GRA; Yukon Energy is not at this time seeking to adjust its Revenue Requirement for 2009 for this item), and $0.111 million additional overtime primarily in the second half of the year to address system requirements. Other one-time items include retiring allowance for 2 long-serving employees that left the company in 2008, pension expenses for other employees who left the company that were part of the defined benefit pension plan, and adjustments to payroll clearing accounts and ES&G (overhead) accounts. These adjustments are not expected to re-occur in 2009.

- Non-labour expenses were above forecast by a total of $0.745 million or 13%. This reflects unforecasted activities that were required in 2008. While many of the variances can be identified as a single non-recurring item, others reflect a series of actions that must be completed in the year but which were unanticipated at the time the 2008 forecast was determined, a consistent characteristic of maintaining and updating an aging infrastructure. The functions that were the primary drivers of this variance are as follows:

- Production (46% or $0.302 million): The largest single variance item relates to the requirement to re-paint the Aishihik elevator shaft structural steel, as recommended by a structural engineering review for $0.067 million. Other items include the need to contract divers to repair trashracks or intakes at each of the Whitehorse and Mayo hydro plants, and other safety related items that arose during the year. Costs were also incurred to set up a standing “engineering partnership” relationship with an external firm that is intended to allow YEC to access a consistent external engineering expertise that previously was not available outside of specific retainers.
- Transmission (44% or $0.224 million): The largest item of variance relates to transmission brushing ($0.125 million). In the 2008 forecasts, it was anticipated that YEC would have a limited brushing program. This was not the case. Brushing in 2008 was completed at that level required to maintain the system, and similar levels of brushing are expected (and forecasted in the GRA) for 2009. The transmission brushing was offset in part by a lower than forecast amount of brushing on the distribution system.
- General O&M (9% or $0.074 million): Maintenance of both vehicles and company owned buildings were above forecast. Fuel costs for vehicle fuel were above forecasted levels due to high fuel prices in 2008.
- Administration (14% or $0.325 Million): In contrast to the operating or maintenance expense areas, administration costs variances are entirely related to a short list of items which are non-recurring. Outside of these three items, the administration costs exhibited a large degree of variances within the categories, but remained within the overall administration forecasts. The three notable items of variance were:
    - Recruiting ($0.137 million): due to the ongoing tight labour market in 2008 efforts in this area remain at high levels. In addition, the number of recruitments and related costs in 2008 were above forecast levels.
    - Regulatory affairs ($0.094 million): Yukon Energy expensed its participation in the YECL hearing without seeking cost recovery through the YUB process.
    - Legal and other services related to Minto PPA ($0.078 million): Primarily due to legal costs related to the need to update and revise Minto PPA and implement provisions of the PPA.
- Insurance (17% below forecast, or $0.166 million): Insurance renewals for 2008 occurred at a lower price than forecast.

All interrogatories that YEC was directed to update with 2008 Actuals pursuant to Order 2009-4 are provided as Attachment B2 to this Appendix.

- UCG-YEC-1-21(b)
- UCG-YEC-1-39(a)
- UCG-YEC-1-49(a)
- UCG-YEC-1-81(a)
- YECL-YEC-1-2(a)

Yukon Energy Corporation
Appendix A1 - 2008 Preliminary Actuals

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
4	Cost of Capital Calculation
5	Utility Revenue Requirement
6	Statement of Earnings
7	Statement of Retained Earnings
8	Balance Sheet
9	Financing Summary
10	Reconciliation of Utility Income to Net Earnings
11	Summary of Customers, Energy Sales and Revenues
12	Summary of Operating and Maintenance Expenses
13	Summary of Cost of Long - Term Debt

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

Schedule 1
April 2009

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	**Property, Plant and Equipment**					
2	Year end balance	S.3 L.5	275,183	85	275,268	Capital project previously classified as O&M
				-		
	Deduct:			-		
3	Accumulated depreciation (note 1)	S.3 L.10	83,107	-	83,107	
				-		
4	Construction-in-progress	S.3 L.11	5,688	-	5,688	
5	Disallowed assets	S.3 L.12	200	-	200	
6	Miscellaneous reserves	S.3 L.13	8,006	(15)	7,991	Reserve for Injuries and Damages item previously classified as O&M
7	Total deductions		97,001	(15)	96,986	
				-		
	Add:			-		
8	Deferred study costs (note 2)	S.3 L.15	12,103	-	12,103	
9	Less: Studies in Progress	S.3 L.16	(3,699)	-	(3,699)	
10	Other deferred costs (note 3)	S.3 L.17	(1)	-	(1)	
11	Accum. Disallowed depreciation	S.3 L.18	74	-	74	
12	Total additions		8,477	-	8,477	
				-		
	Net plant in Service			-		
13	Current year-end balance	S.3 L.20	186,659	100	186,759	
14	Previous year-end balance		148,329	-	148,329	
15	Total		334,988	100	335,088	
				-		
16	Mid-year balance		167,494	50	167,544	
				-		
18	Mid-year rate case expense		1,209	-	1,209	
19	Working capital	S.2 L.9	3,371	(21)	3,350	Lower O&M expenses, due to reclassifications
				-		
20	Adjustments for CSTP (Note 4)		(2,377)	-	(2,377)	
21	**Gross Rate Base**		169,697	29	169,726	
				-		
	Deduct:			-		
	Contributions for extensions			-		
22	Current year-end balance		49,257	-	49,257	-
23	Contributions in WIP		897	-	897	-
24	Current year-end balance in-service		48,360	-	48,360	-
25	Accumulated amortization of contributions		3,283	-	3,283	
26	Net current year-end balance in-service		45,077	-	45,077	
				-		
27	Previous year-end balance		11,821	-	11,821	
28	Total		56,898	-	56,898	
				-		
29	Mid-year balance		28,449	-	28,449	
				-		
30	**Net Rate Base**	S.5 L.1	141,248	29	141,277	

Note 1: Including Reserve for Future Removal and Site Restoration
Note 2: Planning and Study costs, Relicencing and Dam Safety costs.
Note 3: Deferred Overhauls and deferred downsizing.
Note 4: CSTP came in service on Nov. 22nd, 2008, net ratebase impacts is adjusted downward $2,377k based on actual service days compared to typical inservice mid-year ratebase impact .

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

Schedule 2
April 2009

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Operating and maintenance	S.5 L.5	14,105	(287)	13,818	Lower O&M expenses, due to reclassifications
2	Taxes other than income	S.5 L.6	268	-	268	
3	Non-allowable expenses		(86)	-	(86)	
4	Cash operating expenses		14,287	(287)	14,000	
5	27/365 in 2005		1,057	(21)	1,036	
6	Inventory (Three year average)		2,348	-	2,348	
7	GST Impact on working capital	S.2A L.11	(34)	-	(34)	
8	Working capital	S.1 L.19	3,371	(21)	3,350	

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Expenses subject to GST		48,117	(202)	47,915	Lower O&M expenses, due to reclassifications
2	GST Rate		5.00%	-	5.00%	
3	GST Recoverable		2,406	(10)	2,396	
4	Day Factor		14	-	14	
5	Recoverable portion of GST impact		92	-	92	
6	Revenue subject to GST		28,790	-	28,790	
7	GST blended rate		4.58%	-	4.58%	
8	GST payable		1,318	-	1,318	
9	Day factor		35	-	35	
10	Payable portion of GST impact		126	-	126	
11	Net impact of GST on working capital	S.2 L.7	(34)	-	(34)	

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	**Property, Plant and Equipment**					
2	Balance at beginning of year		236,853	-	236,853	
3	Increases to PPE (Table 5.1)	S.9 L.2	39,239	85	39,324	Capital project previously classified as O&M
4	Retirements, disposals and adjustments (note 1)		(909)	-	(909)	
5	Balance at end of year	S.1 L.2	275,183	85	275,268	
6	**Accumulated depreciation (including Future Removal Reserve)**					
7	Balance at beginning of year		78,492	-	78,492	
8	Depreciation expense	S.6 L.7	5,596	-	5,596	
9	Retirements, disposals and adjustments (note 1)		(981)	-	(981)	
10	Balance at end of year		83,107	-	83,107	
	Deduct:			-		
11	Construction-in-progress	S.1 L.4	5,688	-	5,688	
12	Disallowed assets	S.1 L.5	200	-	200	
13	Miscellaneous reserves (note 2)	S.1 L.6	8,006	(15)	7,991	Reserve for Injuries and Damages item previously classified as O&M
14	Total		13,894	(15)	13,879	
	Add:			-		
15	Deferred study costs (note 3)	S.1 L.8	12,103	-	12,103	
16	Less: Studies in Progress	S.1 L.9	(3,699)	-	(3,699)	
17	Other deferred costs	S.1 L.10	(1)	-	(1)	
18	Accum. Disallowed depreciation	S.1 L.11	74	-	74	
19	Total		8,477	-	8,477	
20	Net Property, Plant and Equipment	S.1 L.13	186,659	100	186,759	

Note 1: largely relate to retirements and disposals, as well as charges against the Reserve for Future Removal and Restoration (salvage)
Note 2: Includes Fire Insurance Reserve, Deferred Dewatering Revenues and the Reserve for Injuries and Damages
Note 3: Planning and Study costs, Relicencing and Dam Safety Review costs.

Yukon Energy Corporation
Cost of Capital Calculation
2008 Actual
($000s)

Schedule 4
April 2009

	Mar 31 Prelim Actual 2008						
1	Long-Term debt	S.13 L.14	90,818	60.0%	84,760	5.72%	4,847
2	Common Stock	S.8 L. 28	60,526	40.0%	56,489	6.69%	3,778
3	Total	S.5 L.3	151,344	100.0%	141,248	6.11%	8,625
	Apr 24 Prelim Actual 2008						
1	Long-Term debt	S.13 L.14	90,904	60.0%	84,777	5.71%	4,843
2	Common Stock	S.8 L. 28	60,583	40.0%	56,500	7.20%	4,069
3	Total	S.5 L.3	151,487	100.0%	141,277	6.31%	8,912

Yukon Energy Corporation
Utility Revenue Requirement
($000s)

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Net rate base	S.1 L.30	141,248	29	141,277	
2	Average Rate of return on rate base		6.11%	0	6.31%	
3	Utility income	S.10 L.1	8,625	287	8,912	
4	Utility expenses			-		
5	Operating and maintenance (note 1)	S.6 L.3	14,105	(287)	13,818	Lower O&M expenses, due to reclassifications
6	Taxes other than income	S.6 L.4	268	-	268	
7	Amortization of deferred costs	S.6 L.5	937	-	937	
8	Reserve for Injuries and Damages	S.6 L.6	50	-	50	
9	Depreciation	S.6 L.7	5,596	-	5,596	
10	Amortization of contributions	S.6 L.8	(701)	-	(701)	
11	Disallowed depreciation		(4)	-	(4)	
12	Donations		(86)	-	(86)	
13	Disallowed Expenses			-		
14	Total utility expenses		20,165	(287)	19,878	
15	Revenue Requirement		28,790	(0)	28,790	
16	Faro Dewatering Account transfer		0	-	0	
17	Revenue required after transfer from Faro de-watering account	S.6 L.1	28,790	-	28,790	

Note 1: Includes fuel expenses and purchased power.

Yukon Energy Corporation
Statement of Earnings
($000s)

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Revenues	S.5 L.17	28,790	-	28,790	
				-		
2	**Operating expenses**			-		
3	Operating and maintenance	S.12 L.15	14,105	(287)	13,818	Lower O&M expenses, due to reclassifications
4	Taxes other than income	S.5 L.6	268	-	268	
5	Amortize deferred costs	S.5 L.7	937	-	937	
6	Reserve for Injuries and Damages	S.5 L.8	50	-	50	
7	Depreciation	S.3 L.8	5,596	-	5,596	
8	Amortization of contributions	S.5 L.10	(701)	-	(701)	
9	Faro Dewatering Account transfer	S.5 L.16	-	-	-	
10	Total		20,255	(287)	19,968	
				-		
11	**Operating income**		8,535	287	8,822	
				-		
12	**Other income**			-		
13	Allowed for Funds Used	S.10 L.2	774	-	774	
14	Miscellaneous (note 1)	S.10 L.3 + 9	(117)	-	(117)	
15	Total		657	-	657	
				-		
16	**Other expenses**			-		
17	Interest expense	S.10 L.4	5,193	-	5,193	
18	Total		5,193	-	5,193	
				-		
19	**Net earnings**	S.10 L.9	3,999	287	4,286	

Note 1: Miscellaneous primarily consistent of write-downs of Mayo-Dawson (2005, per Board Order 2005-12) plus write-offs of ongoing Mayo Dawson legal claim proceeding amounts.

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Balance at beginning of year		21,391	-	21,391	
				-		
	Add:			-		
2	Net earnings	S.6 L.19	3,999	287	4,286	
3			25,390	287	25,677	
				-		
	Less:			-		
4	Common dividends	S.9 L.5	3,729	172	3,901	Changes to Net Income result in revised dividend calculation
				-		
5	Balance at end of year	S.8 L.27	21,661	115	21,776	

Yukon Energy Corporation
Balance Sheet
($000s)

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	**Current assets**					
2	Cash *(and equivalents)*		3,277	(0)	3,277	
3	Accounts receivable		19,985	158	20,143	Amounts due from other parties at year-end, previously not recorded
4	Fuel, materials and supplies		2,567	-	2,567	
5	Prepaid expenses		278	28	307	2009 membership paid for in 2008, previously booked as O&M in 2008
6	Total		26,108	187	26,295	
				-		
7	**Long Term Receivables**		541	15	556	Reserve for Injuries and Damages item previously classified as O&M
8	**Funds Held in Trust**		883	-	883	
				-		
	Fixed assets			-		
9	Property, plant and equipment, cost (note 2)	S.1 L.2	275,183	85	275,268	Capital project previously classified as O&M
10	Accumulated depreciation + future removal	S.1 L.3	83,107	-	83,107	
11	Contributions for extensions, net	S.1 L.26	45,974	-	45,974	
12	Total		146,101	85	146,186	
				-		
13	**Deferred charges**		13,445	-	13,445	
				-		
14	**Total assets**		187,080	287	187,366	
				-		
15	**Current liabilities**			-		
17	Accounts payable and accrued (note 1)		25,848	-	25,848	
18	Current portion of long-term debt		3,944	-	3,944	
19	Total		29,792	-	29,792	
				-		
20	**Miscellaneous liabilities**			-		
21	Trust liability		1,033	-	1,033	
22	Deferred revenue		7,356	0	7,356	
23	Regulatory Liabilities		1,191	-	1,191	
				-		
24	**Long-Term Debt**		87,048	172	87,220	
				-		
25	**Total liabilities**		126,420	172	126,592	
				-		
	Shareholder's Equity			-		
26	Common shares		39,000	-	39,000	
27	Retained earnings	S.7 L.5	21,661	115	21,776	Changes to net income
28	Total		60,661	115	60,776	
				-		
29	**Total liabilities and shareholder's equity**		187,080	288	187,367	

Note 1: Yukon Energy's audited financial statements include in "current portion of long-term debt" any "true-up" principal payable on the Flexible Term Note as of December 31 of the year that are not actually paid until January of the following year once the calendar year WAF loads are confirmed. The above balance sheet reports these amounts as "accounts payable" in order to reflect their status as short-term payments and not properly long-term debt being used to finance ratebase.

Yukon Energy Corporation
Financing Summary
($000s)

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	**Funds Required**					
2	Additions to property, plant and equipment	S.3 L.3	39,239	85	39,324	Capital project previously classified as O&M
3	Additions to deferred costs		4,461	-	4,461	
4	Repayments of long-term debt		5,621	-	5,621	
5	Common dividends	S.7 L.4	3,729	172	3,901	Changes to Net Income result in revised dividend and loan calculations
6	Increase in Long-Term Receivables		128	15	143	Reserve for Injuries and Damages item previously classified as O&M
7	Increase in Trust Assets		27	-	27	
8	Asset Retirement/Disposal/Salvage		72	-	72	
				-		
9	Total		53,276	272	53,548	
				-		
10	**Funds available from operations**			-		
				-		
11	Net earnings	S.6 L.19	3,999	287	4,286	
12	Add: Non-cash expenses such as			-		
13	depreciation		5,882	-	5,882	
14	Increase in Customer Contributions		29,910	-	29,910	
15	Increase in Regulatory Liabilities		-	-	-	
16	Decrease (increase) in working capital		7,339	(187)	7,153	
17	Increase in Trust Liabilities		177	-	177	
				-		
18	Total		47,307	100	47,407	
				-		
19	**Cash deficiency**		5,969	172	6,141	
				-		
20	**Long-term funds required**			-		
				-		
21	Issue common shares		-	-	-	
22	Issue long-term debt		5,969	172	6,141	Changes to Net Income result in revised dividend and loan calculations
				-		
23	Total		5,969	172	6,141	
				-		

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	Utility Income (Return on Rate Base)	S.5 L.3	8,625	287	8,912	Lower O&M expenses, due to reclassifications
				-		
	Add:			-		
2	Allowance for funds used	S.6 L.13	774	-	774	
3	Other income (expenses)	S.6 L.14	(117)	-	(117)	
			9,282	287	9,569	
				-		
	Less:			-		
4	Interest - long-term	S.6 L.17	5,193	-	5,193	
5	Donations	S.5 L.12	86	-	86	
6	Disallowed costs	S.5 L.13		-	-	
7	Disallowed depreciation	S.5 L.11	4	-	4	
			5,283	-	5,283	
				-		
8	Net earnings		3,999	287	4,285	
				-		
9	Net earnings per financial statements	S.6 L.19	3,999	287	4,285	

Yukon Energy Corporation

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

Line No.	Description	Prelim Actual 2008
1	**Residential**	
2	Customers	1,426
3	Sales in MWh	11,359
4	MWh sales per customer	7.8
5	Revenue ($000s)	1,325
6	Cents per KWh	11.67
7	**General Service**	
8	Customers	449
9	Sales in MWh	18,523
10	MWh sales per customer	41.2
11	Revenue ($000s)	2,449
12	Cents per KWh	13.22
13	**Industrial**	
14	Sales in MWh	3,200
15	Revenue ($000s)	329
16	Cents per KWh	10.27
17	**Street lights**	
18	Sales in MWh	361
19	Revenue ($000s)	80
20	Cents per KWh	22.30
21	**Space lights**	
22	Sales in MWh	17
23	Revenue ($000s)	3
24	Cents per KWh	18.07
25	**Total Company - Firm Retail and Industrial**	
26	Customers	1,875
27	Sales in MWh	33,460
28	Revenue ($000s)	4,187
29	Cents per KWh	12.51
30	**Wholesale sales**	
31	Sales in MWh	263,820
32	Revenue ($000s)	18,045
33	Cents per KWh	6.84
34	**Total Company - Firm**	
35	Sales in MWh	297,280
36	Revenue ($000s)	22,232
37	Cents per KWh	7.48
38	**Secondary**	
39	Sales in MWh	18,753
40	Revenue ($000s)	777
41	Cents per KWh	4.14
42	**Total Company**	
43	Sales in MWh	316,033
44	Revenue ($000s)	23,008
45	Cents per KWh	7.28
46	Rider J	5,509
47	Rider U	
48	Total Sales of Power	28,518
49	Other Revenues	272
50	Total Revenues	28,790

Note: There were no changes to sales or revenues since March 31 filing

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
1	**Utility operations**					
2	Production		3,710	(85)	3,625	Capital project previously classified as O&M
3	Transmission and distribution		1,804	(15)	1,789	Reserve for Injuries and Damages item previously classified as O&M
4	General		1,016	-	1,016	
5	Administration and general		6,409	(187)	6,222	Lower O&M expenses, and recording of increased recoveries
6	Insurance (excluding auto)		748	-	748	related to fish hatchery (from YTG) and services charged to YDC.
7	Sub-total		13,687	(287)	13,400	
				-		
8	Donations		86	-	86	
				-		
9	Sub-total		86	-	86	
				-		
10	O&M not including fuel and			-		
11	purchased power		13,773	(287)	13,486	
				-		
12	Fuel		291	-	291	
13	Purchased power		41	-	41	
14	Sub-total		332	-	332	
				-		
15	Total operating and maintenance	S.6 L.3	14,105	(287)	13,818	
				-		
	Operating and Maintenance Expense Reported in Tab 3 excludes fuel and purchase power, but also includes the following:					
16	*Reserve for Injuries and Damages*		*50*	-	*50*	
17	*Property Taxes*		*268*	-	*268*	
18	*less: Donations*		*-86*	-	*-86*	
				-		
19	*O&M per Tab 3*		*14,005*	(287)	*13,718*	

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

Line No.	Description	Cross Ref.	Mar 31 Prelim Actual 2008	Adjustments	Apr 24 Prelim Actual 2008	Explanation
	General Purpose Long-Term Debt Balance					
1	Canada Flexible Term Note (7%)		26,066	-	26,066	
2	TD Note (7.81%)		7,164	-	7,164	
3	YDC Loan #12 (5.88%)		24,100	-	24,100	
4	YDC Loan #13 (6.03%)		3,649	-	3,649	
5	YDC Loan #14 (5.40%)		2,841	-	2,841	
6	YDC Mayo-Dawson Note (6.55%)		15,607	-	15,607	
7	YDC Loan #15 (5.34%)		3,585	-	3,585	
8	YDC Loan #16 (5.28%)		4,251	-	4,251	
9	YDC Loan #17 (5.28%)		3,729	172	3,901	Changes to Net Income result in revised dividend and loan calculations
10	YDC Loan #18 (5.28%)			-		
11	Minto Diesel (7.50%)		0	-	0	
				-		
12	Current year-end balance		90,992	172	91,164	
13	Previous year-end balance		90,644	-	90,644	
14	Mid Year		90,818	86	90,904	
				-		
	Interest Costs			-		
				-		
				-		
15	Canada Flexible Term Note (7%)		1,282	-	1,282	
16	TD Note (7.81%)		587	-	587	
17	YDC Loan #12 (5.88%)		1,488	-	1,488	
18	YDC Loan #13 (6.03%)		220	-	220	
19	YDC Loan #14 (5.40%)		153	-	153	
20	YDC Mayo-Dawson Note (6.55%)		1,047	-	1,047	
21	YDC Loan #15 (5.34%)		191	-	191	
22	YDC Loan #16 (5.28%)		224	-	224	
23	YDC Loan #17 (5.28%)			-	0	
24	YDC Loan #18 (5.28%)			-		
25	Minto Diesel (7.50%)		0	-	0	
				-		
26	**Total Cost of Interest**		5,193	-	5,193	
				-		
27	Mid-Year Cost of Debt		5.72%	(0)	5.71%	
				-		

REFERENCE: October 6, 2008 Application, Sales and Generation, Page 2-4

YEC states that its "2009 load forecasts are markedly higher than the YECL forecasts in their GRA reflecting Yukon Energy's analysis of wholesale load growth, including the WAF load growth analysis for the 2001-2004 period (averaging 2.2% per year), as reviewed in the Yukon Energy 20-Year Resource Plan 2006-2025 ("Resource Plan") and the more recent experienced growth rate in WAF wholesales from 2004 to 2007 actuals, at 2.5% per year. Yukon Energy has utilized a growth rate in this range (2.39%) as the basis for estimating load increases from 2008 to 2009 based on this evidence of the experienced longer-term load trends".

QUESTION:

a) Please provide a table showing load forecasts by customer class and by energy rate block for 2008 forecast, 2008 actual and 2009 forecast. Please explain how this data has been weather normalized if applicable.

b) Please provide a comparative table of the forecast and actual load forecast by customer class for 2005, 2006, 2007 and 2008. Please explain how this data has been weather normalized if applicable.

c) Please provide a comparative chart showing the differences between YEC's and YECL's load forecasts.

d) Please explain what discussions YEC has had with YECL to determine how best to forecast load in the Yukon.

ANSWER:

(a)

Yukon Energy does not forecast by energy rate block. Yukon Energy has relied upon YECL's forecast by rate block filed with their 2008/2009 General Rate Application.

For forecasts by customer class please see Schedule 11 in Tab 7 of the Application.

(b)

See table below.

Yukon Energy Corporation
Forecast and Actual Load by Customer Class - Company

Description	Forecast 2005	Actual 2005	Variance %	Forecast 2006	Actual 2006	Variance %	Forecast 2007	Actual 2007	Variance %	Forecast 2008	Actual 2008	Variance %
Residential												
Sales in MWh	10,201	10,169	*-0.32%*	10,271	10,665	*3.84%*	10,497	10,908	*3.91%*	11,155	11,359	*1.82%*
General Service												
Sales in MWh	16,808	18,438	*9.69%*	17,805	17,037	*-4.31%*	17,531	17,507	*-0.14%*	18,193	18,523	*1.81%*
Industrial												
Sales in MWh	0	0		0	0		0	0		6,845	3,200	*-53.24%*
Street lights												
Sales in MWh	252	257	*2.23%*	256	270	*5.47%*	270	275	*2.01%*	278	361	*29.79%*
Space lights												
Sales in MWh	13	14	*8.75%*	15	14	*-6.67%*	14	14	*3.03%*	14	17	*23.22%*
Total Company - Firm Retail & Ind.												
Sales in MWh	27,274	28,878	*5.88%*	28,346	27,987	*-1.27%*	28,313	28,705	*1.38%*	36,485	33,460	*-8.29%*
Wholesale sales												
Sales in MWh	234,542	237,419	*1.23%*	241,862	251,861	*4.13%*	253,227	254,914	*0.67%*	258,989	263,820	*1.87%*
Total Company - Firm												
Sales in MWh	261,816	266,296	*1.71%*	270,208	279,847	*3.57%*	281,541	283,619	*0.74%*	295,474	297,280	*0.61%*
Secondary												
Sales in MWh	20,613	18,933	*-8.15%*	20,550	22,185	*7.96%*	21,183	24,225	*14.36%*	20,557	18,753	*-8.78%*
Total Company												
Sales in KWh	282,428	285,229	*0.99%*	290,758	302,032	*3.88%*	302,722	307,844	*1.69%*	316,031	316,033	*0.00%*

Actual load data is from metered loads, and is not weather normalized.

(c)

The only rate class where YEC and YECL both prepare load forecasts is for wholesale purchases. Please see Table 2.1 at page 2-5.

(d)

Yukon Energy works with YECL annually to prepare business plan load forecasts for wholesale sales. Yukon Energy prepares its own load forecast for its customers without YECL input, as YECL has no knowledge of, or experience with, the loads in YEC served communities.

REFERENCE: **October 6, 2008 Application, Revenue Requirement, Page 3-7; Table 3-4 – Employee Complement History**

QUESTION:

a) Please update this table by adding columns for 2005 Allowed and 2008 Actual.

b) Please confirm that without Board approvals since 2005, the employee complement included in the revenue requirement approved for 2005 remained the approved complement for 2006 and 2007.

c) Please provide an explanation for any variances between the 2008 actual and 2009 forecast and the Employee Complement level last approved by the YUB for 2005.

ANSWER:

(a)

Updated Table 3.4 from the 2008/2009 General Rate Application is provided below.

Table 3.4
Employee Complement History

	Actual 2004	GRA 2005	Actual 2005	Actual 2006	Actual 2007	Preliminary Actual 2008	GRA 2008	GRA 2009
President	1.44	1.60	1.60	1.50	2.50	2.50	2.50	2.50
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources & Info. Mgmt.	5.01	6.00	6.06	6.01	6.00	7.00	7.00	7.00
Business Development	0.87	1.00	1.08	1.00	1.00	1.00	1.00	1.00
Finance, Cust. Acctg. & Purchasing	9.83	9.96	11.05	11.49	11.63	12.94	12.81	12.81
Operations	33.19	33.28	34.82	39.43	38.60	40.25	40.20	40.10
Engineering Services	13.27	13.23	13.21	13.58	14.00	12.67	12.67	12.00
Health, Safety & Environment	1.00	1.00	1.00	1.00	3.00	3.36	3.33	3.33
Total	65.61	67.07	69.82	75.01	77.73	80.72	80.51	79.74

(b)

Not confirmed. There was no Board approved revenue requirement for 2006 and 2007, as they were not GRA test years.

Note, however, that YEC was ordered by the Board (in Order 2005-12) to file its financial forecast for each of 2006 and 2007 with the Board to confirm the need for the $292,000 drawdown of the Faro Dewatering Account in each year. In this regard, contrary to the suggestion in the question, there was “Board approvals” in respect of each year.

(c)

Please see LE-YEC-1-32.

REFERENCE: **October 6, 2008 Application, Revenue Requirement, Page 3-19; Table 3-14 – Cost of Capital**

QUESTION:

a) Please update this table by adding columns for 2005 Allowed and 2008 Actual.

b) Please confirm that without Board approvals since 2005, the capital structure, cost of debt and return on equity provisions included in the revenue requirement approved for 2005 remained the approved amounts for 2006 and 2007.

c) Please provide YEC's understanding of the YUB's role in determining and approving the deemed capital structure of YEC for rate-setting purposes.

ANSWER:

(a)

Table 3.14 from the 2008/2009 General Rate Application is revised below to include the "Approved 2005" information.

Table 3.14
Cost of Capital

					Forecast		Forecast	
	Approved 2005	Actual 2005	Actual 2006	Actual 2007	Existing 2008	Proposed 2008	Existing 2009	Proposed 2009
Average Cost of Debt	5.12%	5.18%	5.47%	5.49%	5.67%	5.68%	6.16%	6.19%
Return on Equity	9.05%	9.46%	10.59%	9.45%	9.55%	8.64%	11.03%	8.64%
Average Cost of Capital	6.69%	6.89%	7.52%	7.07%	7.22%	6.86%	8.11%	7.17%

For 2008 Actuals please see Attachment B1 of Appendix B of the April 24, 2009 update filing.

(b)

Not confirmed. There was no Board approved revenue requirement for 2006 and 2007, as they were not GRA test years.

Note, however, that YEC was ordered by the Board (in Order 2005-12) to file its financial forecast for each of 2006 and 2007 with the Board to confirm the need for the $292,000 drawdown of the Faro Dewatering Account in each year. In this regard, contrary to the suggestion in the question, there was "Board approvals" in respect of each year.

(c)

The Board has jurisdiction to determine a fair rate of return of Yukon utilities, and in this regard may (and does) assess the reasonableness of a utility's capital structure.

Regulation of Yukon Energy to date has been based on the actual capital structure for the utility and as such there has been no "deemed capital structure".

REFERENCE: October 6, 2008 Application, Capital Projects, Page 5-14

YEC states that customer extensions are budgeted to cost $475,000 in each of 2008 and 2009 (offset by customer contributions of $400,000 in each year). YEC states that it "is required to provide service to new customers coming onto the system, and consequently, customer extensions are forecast and budgeted as a capital items without identifying specific projects. Most costs of customer extensions are covered by customer contributions pursuant to the Electrical Service Regulations".

QUESTION:

a) Please provide details of the budgeted and actual costs of customer extensions in 2005, 2006, 2007 and 2008 as well as the number of customers connected.

b) Please confirm that the budgets for customer extensions would be less of a contributor to YEC's revenue requirement if this budgeted amount was removed and a deferral account was established to collect actual customer extension costs as they are incurred for disposition in a subsequent year.

ANSWER:

(a)

Page 5-25 in the application, which shows customer extension spending for 2005 to 2007, contains an error in the categorization of certain elements of distribution spending. A corrected version is provided as an attachment to the April 24, 2009 Update Filing.

The total spending on customer extensions, from 2005 to 2008 actuals, is set out in the following table:

Yukon Energy Actual Spending on Customer Extensions 2005-2008

	2005	2006	2007	2008
Budget	400,000	400,000	400,000	400,000
Actual Spending	476,043	422,200	290,089	184,100

Total customers added in each year are as follows:

2005 – 56 new customers
2006 – 52 new customers
2007 – 40 new customers
2008 – 42 new customers

(b)

Not confirmed. The amounts are already capital and consequently depreciated over time.

REFERENCE: **Pages 2-11 through 2-15; Page 2-19**

TOPIC: **Power Generation**

PREAMBLE:

The testing of YEC's forecast hydro, wind and diesel generation forecast as well as line losses.

QUESTION:

a) In excel format for the information provided in Table 2.5, please provide the monthly data for 2005 (Approved and Actual), 2006 Actual, 2007 Actual and 2008 and 2009 forecast that supports the annual totals. Please break out the diesel generation that is related to (1) system peaks, planned operation for such things as maintenance or exercising the units and (3) unplanned operation due to loss of hydro availability.

b) In excel format, please provide YEC's 1996/1997 351 GW.h long term monthly average hydro generation capability from its Whitehorse and Aishihik plants on the WAF system. If an update is available, please provide along with explanations for any changes. If an update is not available, please advise when it is expected to become available.

c) To better understand the quantum of hours the two systems are at operating at various loads, please provide a WAF system and MD system load duration curve for 2005 to 2007 actuals as well as for the 2008 and 2009 forecast. While YEC answered a similar question as part of its 2005 Application (YECL-YEC-1-46), it would be more helpful if YEC labeled the Y axis in "Load (MW)" and the X axis in "Duration (Hours)"

d) Given that YEC states that it does not track actual secondary peak usage. (Note 1 in Table 2.5), please explain how system planning as it relates to firm demand is to be accomplished without knowing the impact of secondary sales.

e) Since 2005, please detail all instances and reasons where YEC has called upon Yukon Electrical to dispatch Yukon Electrical's diesel units in Haines Junction,

Teslin, Carmacks, Ross River, Stewart Crossing and Pelly Crossing. What changes, if any, are expected during the test period?

f) Please provide a copy of the line loss study that was used to support the 2008 and 2009 generation forecast as well explanations as to why line losses increase to 8.66% in 2008 from 8.13% in 2007 and then decrease to 8.42% in 2009.

ANSWER:

(a)

Please see Attachment 1 to this response which sets out 2005 to 2008 actuals (note that sales values do not precisely agree with the values in Table 2.5, as the monthly values do not include year-end adjustments that arise out of the audit process). Reasons for diesel operation are not recorded in this format.

Forecast 2008 and 2009 are not available in this same format.

(b)

The breakdown of the 351 GW.h last used to set rates was from the 1996/97 GRA and still used in the calculations for the Diesel Contingency Fund, as follows:

Long Term Average Hydro Capability Totaling 351 GW.h as used in the 1996/97 GRA (MW.h)

January	30,407
February	27,722
March	26,992
April	23,818
May	24,702
June	30,960
July	30,772
August	30,872
September	31,800
October	32,503
November	30,765
December	29,775
Total	351,088

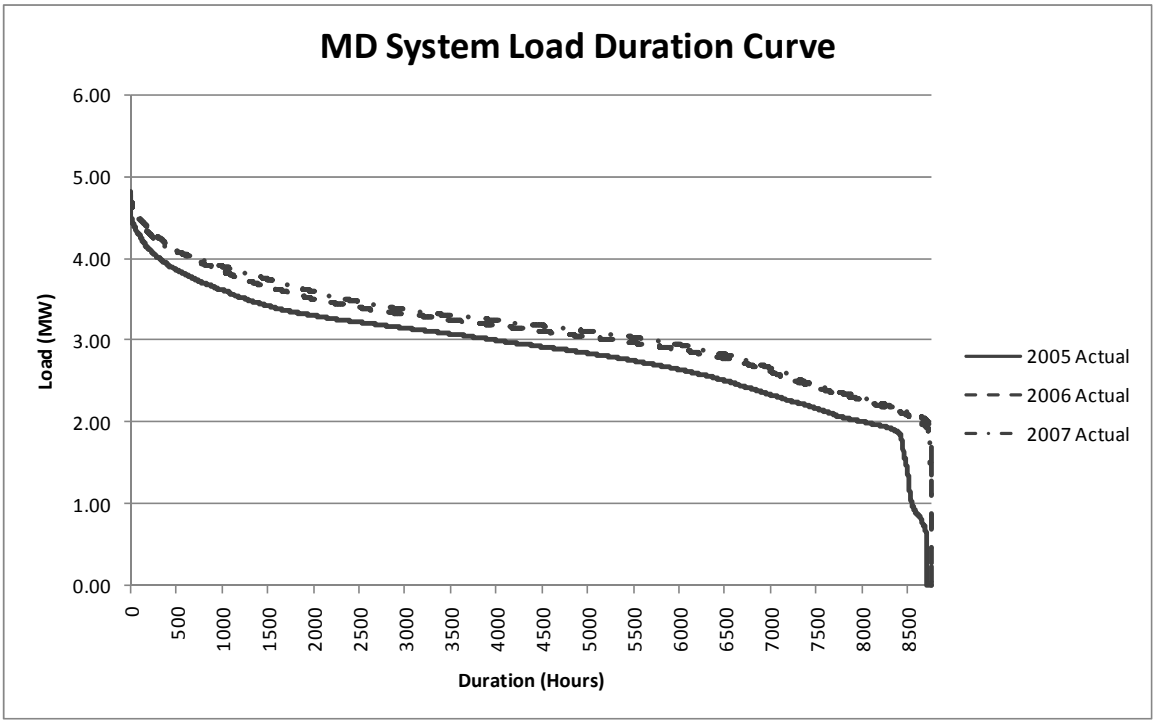
An updated approach to determining long-term average hydro values is available. The updated approach is able to address sensitivities related to load level as well as the full variability of hydrologic conditions, and as such does not develop a single number for all situations. At the approximate load level set out in the application (324 GW.h firm YEC load, net of wind generation), the results indicates that in over 90% of the possible flow scenarios, hydro generation can supply the full load (324 GW.h). In the remaining situations (extreme low flows) baseload diesel generation of up to 50 GW.h could be required. On average, this equates to a hydro supply of 321 GW.h and diesel generation of 3 GW.h.

The 351 GW.h value from 1996/97 does not include the Aishihik 3rd turbine at approximately 5 GW.h. With this system addition in place, a total YEC WAF load level of approximately 380 GW.h is consistent with a long-term average hydro capability of 356 GW.h (and an average diesel requirement of 24 GW.h).

(c)

For WAF, please see YECL-YEC-1-23 and YECL-YEC-1-50.

See chart below for Mayo-Dawson load duration curves for actual 2005-2007. Yukon Energy did not develop a Mayo-Dawson forecast load duration curve for 2008 and 2009.



(d)

Secondary sales customers are not firm customers and as such do not affect firm demand requirements. During critical times where diesel would need to be run secondary sales would be cut off per the requirements of Rate Schedule 32.

(e)

YEC does not keep records of times that YECL diesels were dispatched for grid support purposes, but estimates that it has occurred very few times in the past 5 years. It is not expected that this practice will change in the test period.

(f)

No line loss study has been performed.

Line losses for 2008 and 2009 were estimated using historical figures with adjustments for increases related to increased load with the connection of CSTP and higher loads on the Mayo-Dawson system.

These adjustments resulted in a slight increase in line losses compared to 2007. The Minto mine was forecast to be connected in October of 2008, thus the net impact for the year would be an increase as the new load would be served primarily from the Aishihik Hydro Plant as Whitehorse Hydro would be fully utilized as it is every winter.

Upon review, there is a small error in the 2008 line loss calculation provided in Table 2.1. Consistent with the approach to business planning in 2008, the loss factor should be 8.42%, the same as in 2009. Given the surplus hydro during 2008, there is no revenue requirement impact from this change.

Monthly Data for YEC Sales and Generation, per Table 2.5

					Total - E.S.O.				Hydro - E.S.O.			Diesel - E.S.O.			
		Total Sales KWh	Losses KWh	Losses %	Total KWh	Hydro KWh	Wind KWh	Diesel KWh	Whse KWh	Aishihik KWh	Mayo KWh	Whse KWh	Faro KWh	Dawson KWh	Mayo KWh
2005	JAN	30,207,423	2,890,870	9.6%	33,098,293	33,051,633	-	46,660	16,359,843	14,040,000	2,651,790	43,930	2,730	-	-
Actual	FEB	25,454,913	1,869,635	7.3%	27,324,548	27,147,742	138,361	38,445	15,073,292	9,840,000	2,234,450	16,110	4,200	15,155	2,980
	MAR	24,339,746	2,916,271	12.0%	27,256,017	27,108,824	113,439	33,754	18,397,934	6,580,000	2,130,890	2,130	2,100	29,414	110
	APR	21,820,505	1,475,733	6.8%	23,296,238	23,126,616	59,534	110,088	14,091,476	7,280,000	1,755,140	-	840	109,248	-
	MAY	21,136,194	857,048	4.1%	21,993,242	21,902,622	74,087	16,533	16,359,512	3,590,000	1,953,110	-	1,680	14,793	60
	JUN	20,239,426	1,634,469	8.1%	21,873,895	21,807,072	58,492	8,331	17,915,242	1,910,000	1,981,830	-	-	8,331	-
	JUL	21,074,740	2,336,899	11.1%	23,411,639	23,334,318	45,373	31,948	18,424,488	3,040,000	1,869,830	-	-	31,848	100
	AUG	20,534,376	2,006,788	9.8%	22,541,164	22,419,880	100,587	20,697	19,046,220	1,210,000	2,163,660	2,360	12,390	5,947	-
	SEP	22,056,459	774,161	3.5%	22,830,620	22,706,466	121,513	2,641	13,697,996	7,100,000	1,908,470	30	1,890	721	-
	OCT	24,429,798	1,553,986	6.4%	25,983,784	25,658,019	104,890	220,875	17,466,179	6,480,000	1,711,840	7,920	-	212,475	480
	NOV	26,151,266	2,771,314	10.6%	28,922,580	28,881,545	-	41,035	16,653,225	9,960,000	2,268,320	5,650	2,730	32,605	50
	DEC	27,654,939	2,999,463	10.8%	30,654,402	30,572,057	73,552	8,793	18,504,327	9,620,000	2,447,730	2,100	5,880	813	-
	TOTAL	285,099,785	24,086,637	8.4%	309,186,422	307,716,794	889,828	579,800	201,989,734	80,650,000	25,077,060	80,230	34,440	461,350	3,780
2006	JAN	31,510,717	2,920,281	9.3%	34,430,998	33,693,798	-	737,200	19,438,698	11,600,000	2,655,100	311,120	425,880	-	200
Actual	FEB	25,270,462	2,131,926	8.4%	27,402,388	27,291,799	29,297	81,292	17,658,429	7,410,000	2,223,370	70,030	2,940	8,322	-
	MAR	28,162,245	2,852,622	10.1%	31,014,867	30,998,900	-	15,967	15,870,340	12,770,000	2,358,560	8,460	1,260	6,247	-
	APR	24,202,341	283,559	1.2%	24,485,900	24,391,527	70,919	23,454	14,510,457	8,000,000	1,881,070	2,100	1,890	19,464	-
	MAY	21,540,541	3,019,357	14.0%	24,559,898	24,212,980	120,820	226,098	14,617,880	7,350,000	2,245,100	99,610	121,170	5,318	-
	JUN	20,481,823	1,122,041	5.5%	21,603,864	21,511,417	26,405	66,042	16,543,367	2,920,000	2,048,050	18,100	12,600	35,342	-
	JUL	20,622,186	1,394,544	6.8%	22,016,730	22,004,900	10,600	1,230	19,450,230	500,000	2,054,670	600	630	0	-
	AUG	21,281,829	1,347,530	6.3%	22,629,359	22,531,979	91,690	5,690	20,055,159	400,000	2,076,820	840	1,428	1,952	1,470
	SEP	23,273,843	1,335,121	5.7%	24,608,964	24,410,306	136,740	61,918	20,696,606	1,800,000	1,913,700	50,151	-	10,297	1,470
	OCT	23,461,252	1,971,780	8.4%	25,433,032	25,050,338	86,200	296,494	19,544,228	3,440,000	2,066,110	45,724	91,812	158,958	-
	NOV	31,435,232	3,236,004	10.3%	34,671,236	34,517,610	9,010	144,616	19,273,450	12,480,000	2,764,160	73,184	68,880	2,552	-
	DEC	30,747,264	3,311,786	10.8%	34,059,050	34,006,570	18,260	34,220	19,107,170	12,020,000	2,879,400	9,946	840	23,014	420
	TOTAL	301,989,735	24,926,551	8.3%	326,916,286	324,622,124	599,941	1,694,221	216,766,014	80,690,000	27,166,110	689,865	729,330	271,466	3,560
2007	JAN	31,224,796	2,501,149	8.0%	33,725,945	33,511,510	-	214,435	19,446,640	11,671,920	2,392,950	11,795	66,360	133,760	2,520
Actual	FEB	29,363,947	2,757,563	9.4%	32,121,510	32,037,940	-	83,570	16,717,790	12,790,420	2,529,730	77,760	4,515	875	420
	MAR	29,473,804	2,469,139	8.4%	31,942,943	31,923,396	-	19,547	15,730,856	13,710,000	2,482,540	-	7,245	12,302	-
	APR	25,212,859	1,986,096	7.9%	27,198,955	27,034,910	111,240	52,805	16,576,910	8,370,000	2,088,000	11,545	-	41,260	-
	MAY	22,291,353	2,093,147	9.4%	24,384,500	24,243,500	86,430	54,570	14,497,550	7,670,000	2,075,950	52,470	2,100	-	-
	JUN	20,675,862	1,022,728	4.9%	21,698,590	21,642,829	41,640	14,121	12,697,579	7,000,000	1,945,250	-	2,520	11,601	-
	JUL	21,655,753	1,549,921	7.2%	23,205,674	22,874,544	42,280	288,850	15,879,184	5,150,000	1,845,360	80	-	288,770	-
	AUG	21,027,495	1,141,784	5.4%	22,169,279	22,054,681	-	114,598	16,872,911	3,040,000	2,141,770	55,967	5,040	53,591	-
	SEP	23,089,915	1,362,927	5.9%	24,452,842	24,236,295	62,970	153,577	20,434,575	1,750,000	2,051,720	99,830	2,100	43,037	8,610
	OCT	24,536,686	626,712	2.6%	25,163,398	25,017,918	-	145,480	19,752,038	3,230,000	2,035,880	8,026	12,600	124,854	-
	NOV	27,019,518	4,025,911	14.9%	31,045,429	31,012,391	-	33,038	18,961,981	9,660,000	2,390,410	30,938	2,100	-	-
	DEC	32,123,681	3,642,465	11.3%	35,766,146	35,676,508	17,120	72,518	18,820,848	14,100,000	2,755,660	15,013	1,260	46,795	9,450
	TOTAL	307,695,669	25,179,542	8.2%	332,875,211	331,266,422	361,680	1,247,109	206,388,862	98,142,340	26,735,220	363,424	105,840	756,845	21,000
2008	JAN	32,857,772	3,174,347	9.7%	36,032,119	35,991,138	-	40,981	18,285,928	14,880,000	2,825,210	35,643	1,680	3,658	-
Actual	FEB	29,857,854	2,431,033	8.1%	32,288,887	32,196,041	-	92,846	16,220,041	13,390,000	2,586,000	72,961	3,150	16,735	-
	MAR	27,131,922	2,171,945	8.0%	29,303,867	29,278,767	25,100	-	15,687,857	11,190,000	2,400,910	-	-	-	-
	APR	23,723,660	2,040,687	8.6%	25,764,347	25,644,456	-	119,891	14,596,146	9,070,000	1,978,310	-	-	119,891	-
	MAY	21,857,494	1,914,343	8.8%	23,771,837	23,408,535	174,790	188,512	13,085,165	8,260,000	2,063,370	175,228	11,130	2,154	-
	JUN	22,274,923	1,709,884	7.7%	23,984,807	23,905,766	39,760	39,281	19,350,016	2,440,000	2,115,750	-	-	39,281	-
	JUL	22,343,319	1,687,123	7.6%	24,030,442	23,955,219	70,500	4,723	19,515,269	2,230,000	2,209,950	-	-	4,156	567
	AUG	23,971,942	1,342,163	5.6%	25,314,105	25,292,910	18,900	2,295	19,700,550	3,240,000	2,352,360	-	840	1,455	-
	SEP	22,395,304	2,015,562	9.0%	24,410,866	24,389,523	-	21,343	16,617,493	5,690,000	2,082,030	-	-	21,070	273
	OCT	25,146,273	2,356,762	9.4%	27,503,035	27,176,763	-	326,272	13,830,823	11,250,000	2,095,940	170,788	47,880	107,604	-
	NOV	29,469,680	3,130,280	10.6%	32,599,960	32,443,510	101,390	55,060	20,152,970	9,680,000	2,610,540	12,776	18,480	23,804	-
	DEC	34,753,987	4,083,126	11.7%	38,837,113	38,059,418	6,450	771,245	19,346,068	16,000,000	2,713,350	652,488	11,130	107,627	-
	TOTAL	315,784,130	28,057,255	8.9%	343,841,385	341,742,046	436,890	1,662,449	206,388,326	107,320,000	28,033,720	1,119,884	94,290	447,435	840

Appendix C: Information on YEC Panel

Yukon Energy will be calling one panel at the GRA hearing, consisting of:

- David Morrison, President and CEO
- Ed Mollard, Chief Financial Officer
- Cam Osler, InterGroup Consultants
- Patrick Bowman, InterGroup Consultants

Curriculum Vitae for each of the panel members is provided in Attachment C1.

YUKON ENERGY

EMPLOYEE NAME: David Morrison

PROFESSIONAL EDUCATION/DESIGNATION:

Master of Arts, Public Administration, Carleton University, 1986
Leadership Challenge, Banff School of Management, 1998
Negotiation for Senior Executives, Harvard Business School, 2004
Chartered Director Designation, Conference Board of Canada, 2006

EMPLOYMENT HISTORY:

2004 – Present **President and Chief Executive Officer**, **Yukon Energy Corporation, and Chief Executive Officer, Yukon Development Corporation**

Responsible for the day to day management of the two Corporations. Completed construction of a new transmission line. Established new contracting and procurement standards and systems. Established training program for Directors and new corporate governance systems. Completed special examination audits for Yukon Energy. Developed and established new financial management and accountability systems for the corporations. Developed and implemented new business planning and budgeting processes. Negotiated new financing arrangements for the reduction of high cost debt. Established new management reporting and information standards.

2003 – 2004 **Chairman, Yukon Energy Corporation, Yukon Development Corporation & Energy Solutions Centre Inc.**

Chair Board of Directors of the three Corporations with a Mandate to: review existing systems and establish new Governance systems; undertake a review of financial management systems and implement new systems; resolve capital project management problems and implement new systems; implement Board Governance training and Director development program.

2001 – 2003 and 1989 – 1995 **President, Morrison & Associates, Management Consultants**

Provided consulting services focusing on issues of governance, public sector and privatization, regulatory and advisory issues, and private sector corporate operations. Clients included: the City of Ottawa, Northwest Territories Power Corporation, Northern Canada Power Commission, Office of the Auditor General of Canada, Ft. McKay First Nation, Government of Yukon, Government of Northwest Territories, the Whitehorse Chamber of Commerce, Praxair Canada, Strathcona County, and Foothills Pipelines.

1995 – 2000 **Vice- President of Operations, Tirecraft Auto Centers Ltd.**

Responsible for the day-to-day management and profitability of Corporate stores for retail tire Chain with 135 stores across Canada and sales of $180 million annually. Overall Corporate responsibility for: Strategic Planning, Commercial Sales, Marketing, Supplier Relationships, Human Resource Management, Training, Credit, Inventory Management, Property Management, MIS and implementation of a corporate e-commerce strategy.

1987 – 1988 **Assistant Chairman Northern Canada Power Commission**

Responsible for the operation of $250 million electric public utility with 400 employees and 56 generating plants located throughout the Northwest Territories and Yukon. Led the Company through a turnaround and to profitability. Successfully negotiated several collective agreements. Negotiated the privatization/sale of the Company. Managed staff transition and change to a new Collective Bargaining unit. Prepared and implemented re-organization, staff consolidation and relocation plan.

1981 – 1987 **Corporate Secretary and Special Advisor to the Chairman Northern Canada Power Commission**

Responsible for all Board related matters including: Strategic Planning, Major Contract negotiations, Risk and Property Management, Corporate Policies, and Regulatory Affairs. Secretary of the Board and Principal Advisor to the Chairman and Members of the Board. Responsible for all Intergovernmental liaison including; Federal Regulatory filings, negotiations with Federal Treasury Board, Department of Finance and Indian and Northern Affairs.

1980 – 1981 **Principal Secretary to the Premier Government of Yukon**

Principal advisor to the Government Leader and Caucus. Interfaced between Government leader and general interest groups. Acted as a liaison with local and national media. Acted as a liaison with senior federal and provincial government officials. Prepared speeches and policy papers. Provided advice and guidance on all government programs. Appeared before Parliamentary Committees on behalf of the Government. Managed Government's legislative and policy agendas.

Employee Name: Ed Mollard

PROFESSIONAL EDUCATION/DESIGNATION:

B.Comm(Hons) University of Manitoba 1991
Certified General Accountant designation 1993

EMPLOYMENT HISTORY:

2006 – Present	Chief Financial Officer, Yukon Energy Provide strategic leadership in managing the financial, treasury, risk management and procurement functions. Managed assimilation of contract administration and inventory functions into integrated procurement function. Provided oversight with respect to Board of Director reporting and corporate financing with regard to CSTP I. Strategic direction on risk management and corporate insurance program.
2001 – 2006	Supervisor, Financial & Risk Management Primary responsibilities included preparation of quarterly reports to Board of Director, annual financial reports. Supervised customer service personnel; lead responsibility on corporate risk management committee and liased with corporate brokers on corporate insurance program.
2000 – 2001	Financial Analyst, NWT Financial Analyst. As a member of the corporate regulatory affairs department, participated in the preparation of revenue requirement application to the Public Utilties Board.
1991 – 2000	Auditor, Office of the Auditor General of Canada Primary responsibilities included management and participation in the attest audit of variety of government entities, with special focus on northern clients.

InterGroup CONSULTANTS

CAMERON F. OSLER
CHAIR/CEO AND SENIOR CONSULTANT

EDUCATION:

Simon Fraser University
M.A. (Economics) 1968

University of Toronto Law School
1964-1965

University of Manitoba
B.A. (Philosophy) 1964

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd. **Winnipeg, MB**

1974 - Present *Founding partner and Chair & CEO of InterGroup Consultants Ltd.* (formerly InterGroup Consulting Economists Ltd.); President to 2007.

2000 - 2006 *Director, CBT Energy Inc.*

Strategic planning and multi-disciplinary project team management experience, based on resource and regional economics expertise relating to mining, energy (particularly hydro-electric generation and renewable liquid energy fuels), and downtown tri-government urban development projects.

Detailed project experience is outlined below separately under each of the following headings:

- Socio-Economic and Environmental Assessment & Related Public Consultation – Mining, Hydro-electric, Forestry and Other Major Projects
- Strategic Planning & Multi-disciplinary Project Team Management – Resource, Regional and Urban Development Projects
- Compensation and Monitoring Related to Resource Project Impacts
- Utility Regulation – Expert Analysis and Testimony at Hearings
- Resource Rent, Royalty and Tax Policy – Related Expert Evidence
- Other Strategic Planning and Assessment

Socio-Economic and Environmental Assessment & Related Public Consultation – Mining, Hydro-electric, Forestry and Other Major Projects

- **For Yukon Energy Corporation (2005-2008),** Project Principal regarding 138 kV Carmacks-Stewart Transmission Project activities related to preparation of YEC Project Proposal Submission to the Yukon Environmental and Socio-economic Assessment Board Executive Committee, negotiation of purchase power agreement with mine customers to be served by this project and Project Agreement with three Northern Tutchone First Nations, provision of expert testimony on this project to the Yukon Utilities Board, and participation in ongoing oversight of project implementation activities (the project came into service in late 2008).

- **For Manitoba Hydro (1999-Present),** Study Leader responsible for socio-economic assessment and planning work in a multi-disciplinary Consultant Management Team retained to assist Manitoba Hydro in the conduct of the environmental assessment programs associated with future planning for three potential hydroelectric generating stations in northern Manitoba, including site selection and environmental assessments for the associated transmission facilities. Provided expert testimony before the Manitoba Clean Environment Commission on the Wuskwatim Generation and Transmission Projects EISs submitted by Manitoba Hydro and Nisichawayasihk Cree Nation.

- **For Manitoba Floodway Authority (2003-2005)**, senior advisor regarding environmental assessment and licencing activities of the proposed Red River Floodway Expansion Project. Provided expert testimony before the Manitoba Clean Environment Commission on EIA study approach, including cumulative effects assessment, regarding the Project EIS submitted by the Manitoba Floodway Authority.

- **For Yukon Energy Corporation (1992-2002**), advisory reviews of environmental impact assessment work for re-licensing of the Aishihik hydro-generation facility and related expert testimony before the Yukon Territorial Water Board.

- **For uranium mining companies in northern Saskatchewan during the 1990's**, project director for consultants regarding socio-economic impact assessment, economic impact and cost-benefit assessments, and public consultation design and implementation for the Rabbit Lake expansions (Cameco Corporation, 1991-1993), the McArthur River developments (Cameco Corporation, 1993-1996), the Cigar Lake developments (Cigar Lake Mining Corporation, 1993-1996), and the Rabbit Lake extension (Cameco Corporation, 1999-); provided related evidence and expert witness testimony for the Rabbit Lake federal environmental review

panel hearing and the McArthur River developments federal-provincial environmental review panel hearings. Provided advisory review for InterGroup's similar socio-economic and economic impact assessments, and public consultation work for COGEMA related to Cluff Lake mine projects during this period.

- **For Cameco, Cigar Lake Mining Corporation and COGEMA (1993-1994),** facilitation of an agreement in principle for an impact management agreement involving seven Athabaska communities (this was one element of the socio-economic/public consultation EIS work related to the McArthur River and CLMC projects).

- **For Repap Manitoba, Inc. (1989-1991)**, project management of the socio-economic impact assessment, and design and implementation of an extensive public consultation program, for the proposed Phase 1 Manitoba expansion.

- **For aggregate producers in Ontario during the 1980's and early 1990's,** socio-economic impact and resource policy evaluations relating to proposed aggregate developments in southern Ontario (Puslinch, Milton and Niagara Escarpment Planning Area); provision of resource economics expert testimony before the Ontario Municipal Board on behalf of TCG Materials Limited and on behalf of Armbro Aggregate.

- **For the City of Winnipeg in the 1990's**, socio-economic impact assessment for the new Charleswood and Main/Norwood bridge developments (two separate assignments; provided advisory review for other InterGroup principals who directed this work, as well as assistance in coordination of hearing testimony for the regulatory review of the Charleswood bridge project).

- **For the Moosonee Development Area Board (early 1990's),** socio-economic counsel in an intervention relating to potential impacts of Ontario Hydro's proposed hydro generation development of the Moose River Basin.

- **For Manitoba Hydro in the late 1980's and 1990's,** senior advisory review as required by other InterGroup principals carrying out the following assignments: socio-economic impact assessment and public consultation program for the Conawapa hydro generating station EIS (1989-1993); socio-economic impact assessment and public consultation program for the Split Lake transmission line project (joint study with the First Nation, early 1990's); socio-economic impact assessment and public consultation program for the siting and the EIS related to the Winnipeg-Brandon transmission line and Neepawa substation projects (1995-1997); study to review environmental externality and compensation cost modeling for hydro-generation and related transmission line projects (1996-1997). Deputy

Project Director for initial environmental assessments study for third Bipole Transmission Lines (1986-1987).

- **For Manitoba Hydro in the early-to-mid 1980's,** various investigations with respect to the environmental and socio-economic impacts related to planning of new power generation projects in northern Manitoba, including deputy project director for the Burntwood River Environmental Overview Study (1980-1984), and review of InterGroup's work (carried out by senior staff) to prepare the socio-economic assessment and conduct public consultation for the Limestone hydro-electric generating station EIS.

- **For Alcan in the early 1980's,** management of investigations with respect to the socio-economic impacts of a proposed aluminum smelter in Manitoba.

- **For Key Lake Mining Corporation in the early 1980's,** expert testimony before the Commission of Enquiry on socio-economic impacts associated with the uranium project at Key Lake.

- **For Amok Ltd., in the 1977 Saskatchewan hearings on uranium developments,** provided expert testimony before the Bayda Commission of Enquiry on socio-economic impacts associated with the Amok mining project at Cluff Lake.

Strategic Planning & Multi-disciplinary Project Team Management – Resource, Regional and Urban Development Projects

- **For Yukon Energy Corporation (2005-Present),** project director for preparation of Yukon Energy's 20-Year Resource Plan Submission to the Yukon Utilities Board; provided expert testimony before the YUB.

- **For the City of Winnipeg and Neeginan Development Corporation (1998),** project director responsible for preparation of the Development Plan for the Thunderbird House project on Main Street.

- **For Spirit of Manitoba Inc. and Manitoba Entertainment Complex Inc. (1994-1995),** responsible for management of all aspects of a project to develop a new downtown entertainment complex and to retain the Winnipeg Jets Hockey Club in Winnipeg; managed the multi-disciplinary team carrying out negotiations, siting, design, costs, feasibility planning, environmental assessments, and other work required to secure approvals under tight deadlines specifically for the new arena component of the project.

- **For The Forks Renewal Corporation (a corporation owned by Canada, Manitoba and Winnipeg) during the late 1980's and early 1990's,** Development Coordinator responsible for planning and directing

initial development and financial activities (1987-1993), including negotiation of land exchange agreements, preparation of a Phase I Concept and Financial Plan, site planning and Stage One projects, roads and services; ongoing financial and strategic planning counsel.

- **For Government of Yukon (Department of Economic Development, Mines & Small Business) (1985-1987),** management of multi-disciplinary team carrying out financial, economic, legal and strategic planning work relating to the devolution and transfer to Yukon of the Northern Canada Power Commission assets and operations in Yukon; participation in all related negotiations.

- **For the East Yard Task Force (comprised of the governments of Canada, Manitoba and Winnipeg) (1985-1986),** general advisor and manager for all consultant work (planning and architectural, engineering, financial and legal) related to the redevelopment of a major rail yard area in downtown Winnipeg.

- **For North Portage Development Corporation (1984-1987),** economics and financial counsel during the initial development phase; coordinator for work relating to corporate financial plans, selection of major developers (retail, housing and office projects), and negotiation of long-term agreements (land lease, development and other related agreements) with each of the selected developers.

- **For Canadian Methanol Canadien during the 1980s**, participation in an executive capacity in a partnership venture involving Inter-City Gas Corporation and The M100 Group to develop methanol vehicle fuel [management of multidisciplinary project team involving engineers, planners, financial, legal, and other professionals to demonstrate and develop hybrid (natural gas and wood feedstock) methanol production facilities as well as different market uses for methanol (including use in flexible fuel passenger vehicles)].

- **For the Government of Canada in the late 1970's,** project director of a major multi-disciplinary study to examine the feasibility of producing liquid fuels (including methanol) from biomass feedstock resources throughout Canada; this study included examination of liquid fuel production options involving the joint use of either electricity or natural gas along with biomass feedstock. The multi-disciplinary consulting team included firms with chemical engineering and forestry expertise.

Compensation & Monitoring Related to Resource Project Impacts

- **For Tsay Keh Dene First Nation (2001-Present),** expert socio-economic and resource economics assistance with respect to settlement negotiations

with BC Hydro and the Province of British Columbia relating to impacts on the Tsay Keh Dene First Nation from the Williston Reservoir developments in the 1970s (AIP reached in 2006); related advice regarding the Peace Water Use (WUP) process and contracting arrangements for Tsay Keh WUP reservoir-related contracts with BC Hydro.

- **For Kwadacha First Nation (2001-2008),** expert socio-economic and resource economics assistance with respect to settlement negotiations with BC Hydro and the Province of British Columbia relating to impacts on Kwadacha First Nation from the Williston Reservoir developments in the 1970s (AIP reached in 2006; Final Agreement reached in 2008).

- **For Manitoba Hydro in the 1990's,** expert socio-economic and resource economics assistance with respect to claims by the community of South Indian Lake (early 1990's) and by Northern Flood Agreement communities, including the Cross Lake First Nation (1999-Present), related to post-project development impacts from hydroelectric power development.

- **For uranium mining companies (1999),** project director for the preparation of a draft work plan for a community vitality monitoring program for northern communities in Saskatchewan affected by uranium mining development; the work plan requirement arose out of federal-provincial environmental impact panel hearings on the McArthur River and Cigar Lake mining projects; the work plan was prepared for a working committee with representatives from the three uranium mining companies (Cameco Corporation, COGEMA, and Cigar Lake Mining Corporation0, the Saskatchewan Northern Mines Monitoring Secretariat, and the northern Saskatchewan Health Districts.

- **For BC Hydro (early 1990's),** evaluation of a trust fund proposed to compensate five Lillooet Nation Bands for damages from hydroelectric generation and transmission activities.

- **For the Beaufort Sea Steering Committee (early 1990's),** review of wildlife compensation program options in the event of an oil spill in the Beaufort Sea.

- **For Manitoba Hydro (1989-1990),** project management of an independent post-project evaluation of the Grand Rapids Project impacts on Aboriginal communities, including direction of the socio-economic component of the evaluation.

Cost of Service and Rates – Expert Analysis and Testimony at Hearings

- **For the Yukon Energy Corporation (1989-Present)**, expert testimony before the Yukon Utilities Board on planning major capital projects (1992)

and on electricity costing and rates related to rate applications by Yukon Energy Corporation (1989, 1991, 1993, 1996, 1997, 1998, 2005).

- **For Newfoundland Industrial Customers (2001 and 2003**), expert testimony before the Board of Commissioners of Public Utilities of Newfoundland and Labrador on electricity costing and rates related to general rate applications by Newfoundland Hydro.

- **For the Manitoba Industrial Power Users Group (1987-1999),** expert testimony before the Manitoba Public Utilities Board in Manitoba Hydro electricity rate hearings, including rate applications in 1987/88, 1989, 1990, 1991, 1992, 1994, 1995, and 1998, and the Manitoba Hydro Major Capital Projects hearing in 1990. Represented MIPUG at hearings before the Board in 1999 to approve the purchase of Centra Gas by Manitoba Hydro.

- **For the Bruce Municipal Telephone System in the early 1990's,** expert economic evidence to the Ontario Telephone Service Commission related to the cost of equity capital.

- **For Government of Yukon, expert testimony before the National Energy Board in 1985**, expert testimony on costs and rates pertaining to the Northern Canada Power Commission.

- **For IPSCO during the 1980's**, expert testimony before Saskatchewan Utilities Regulatory Commission hearing on the first and second rate applications by Saskatchewan Power Commission.

- **For Stelco, INCO and the Motor Vehicle Manufacturers' Association of Canada, in the 1977-1979 Ontario Energy Board hearings HR5,** examining Ontario Hydro's electricity costing and pricing principles; provided consulting advice and expert testimony on the issues and options pertaining to that hearing.

- **For a consortium (The Consumers' Gas Company, Union Gas, Northern and Central Gas and the Ontario Ministry of Energy), a 1974 report on natural gas requirements throughout Canada;** provided expert testimony before the National Energy Board on this report.

Resource Rent, Royalty and Tax Policy – Related Expert Evidence

- **For Regional Municipality of Ottawa Carleton (RMOC) in the mid-1990's,** expert resource and regulatory economist evidence before the Ontario Municipal Board on By-Law 234/92, which imposed compensation payments on private landfill operators in the Region.

- **For a group of pipeline companies in Ontario (1989-1992),** assistance with coordination of expert evidence in an arbitration, and provision of expert evidence on methodology to determine annual rent for pipeline use of a transmission corridor owned by Ontario Hydro.

- **For Sun Oil in the 1970's,** counsel on preparation of a brief to the Government of Canada on the proposed Federal Land Regulations for Oil and Gas Lands.

- **For the Canadian Potash Producers' Association in the 1970's and early 1980's,** expert assistance with taxation discussions with Saskatchewan authorities, analysis of the proposed government takeover of the potash industry, and liaison with legal counsel.

- **For the Uranerz-Inexco joint venture in the 1970's,** participation in discussions between the Saskatchewan Government and the uranium industry concerning uranium taxation revisions; provided economic counsel for these discussions.

- **For the Mining Association of British Columbia in the 1970's**, expert testimony before the Commission of Enquiry into property taxation in that province.

- **For the Mining Association of Canada in the 1970's**, preparation of analytical models for comparison of different mineral taxation structures.

- **For Canadian Industrial Oil and Gas Ltd. In the 1970's**, analysis of the public policy aspects of Saskatchewan Bill 42 relating to taxation (advice to legal counsel related to a court case).

Other Strategic Planning and Assessment

- **For the Yukon Energy Corporation and the Yukon Development Corporation (1987-Ongoing),** financial and strategic planning counsel on major issues, including rate policy planning (see also Utility Regulation), major capital planning issues (see also Environmental Assessment), management agreement arrangements, negotiations in the 1990s between YEC and various owners of the Faro mine, negotiation in 2006-2007 of Power Purchase Agreement (PPA) with Minto Explorations Ltd. and ongoing activities to amend the Minto PPA and to negotiate PPAs with other mines.

- **For Manitoba Hydro (1999-early 2000s),** assistance on various matters, including policy reviews related to debris management programs and planning related to US market consultations.

- **For the Northern Manitoba Economic Development Commission (1991-1992),** participation in the preparation of two reports, contributing to the Commission's Sustainable Economic Development Plan for Northern Manitoba for the 1990s.

- **For Regional Municipality of Ottawa Carleton (RMOC) during the 1990's,** economic assessments of options to extend the life of the Trail Road Landfill site.

- **For Metropolitan Toronto (late 1980's),** economic analysis of the best available technology for the utilization of the landfill gas resources at the Keele Valley Landfill site.

- **For a western energy company (early 1990's),** preparation of a Cost-Benefit Analysis of a 160 MW co-generation project, assessment of the implications of the project for Manitoba Hydro, and participation in the discussions between the company and Manitoba Hydro.

- **For Western Economic Diversification (late 1980's),** assessment of Winnipeg tri-government development corporation cash flow scenarios.

- **For the Government of Manitoba during the late 1980's and early 1990's,** advice and assistance in the preparation of proposal calls for the redevelopment of a historically significant site in Winnipeg, as well as participation in the developer selection and negotiation process.

- **For the Canadian Electrical Association in the late 1970's,** management of interdisciplinary team investigations with respect to the impacts of proposed federal atmospheric emission control guidelines on Canadian electrical generating industry thermal power stations.

Hedlin Menzies/Acres Consulting Services **Winnipeg, MB**
Hedlin Menzies & Associates Ltd.

1968 - 1974 *Manager and Senior Consultant*

1968 - 1974 *Research Economist*

Project manager of major studies involving regional resource and cost-benefit impact policy issues relating to prairie manufacturing, prairie elevator and transportation rationalization, Manitoba Hydro northern development activities, Canadian energy requirements and research and development priorities, alternative export policies for natural gas, Canadian Merchant Marine development options, alternative rail route options in the Yukon and northern British Columbia, and various mineral resource policy options pertaining to mining development and taxation.

Sessional lecturer on mineral economics for one year at the University of Manitoba's Natural Resources Institute.

RESEARCH PAPERS:

"The Process of Urbanization in Canada, 1600-1961." Simon Fraser University (M.A.) Thesis. 1968.

"Technological Change and the Economics of Agricultural Development." Simon Fraser University (M.A.) Thesis. 1968.

"Economic Analysis of Short-Term Alternatives Regarding Southern Indian Lake in Manitoba" (joint work with Dr. A.M. Lansdown, P.Eng., 1969).

"A New National Development Policy for Canada: The Relevance of Western Canada." Prepared for the Liberal Conference on Western Objectives. 1973.

"Canada's Gains and Losses from Oil Export Taxes" (joint work with Dr. R.W. Fenton, 1973).

"Resource Management Factors Influencing Mineral Development in North Central Canada." Paper presented to the annual western meeting of the Canadian Institute of Mining and Metallurgy, Winnipeg, October 7, 1974.

"Energy, Provincial Rights and Canadian Unity." 1973.

"An Evaluation of 'An Energy Policy for Canada' " (joint work with Dr. R.W. Fenton, 1973).

"Resource Management Factors Influencing Manitoba Mining." Natural Resources Institute, University of Manitoba. 1974.

"Liquid Fuels from Renewable Resources in Canada: Systems Economic Studies." Paper presented to the Institute of Gas Technology Symposium on Energy from Biomass and Wastes, Washington, DC. August 1978.

"Canadian Scenario for Methanol Fuel." Paper presented to the Alcohol Fuels Technology Third International Symposium, California, January 1979.

"Socio-Economic Impacts from Potential Canadian Methanol Fuel Development." Paper presented to the IV International Symposium on Alcohol Fuels Technology, Brazil. October 1980.

"Canadian Methanol Development Using Natural Gas and Wood Feedstocks." Paper presented to the First IEA Conference on New Energy Conservation Technologies and their Commercialization, Berlin. April 1981.

"Methanol as an Alternative Automotive Fuel: CMC's Approach and Experience." Paper presented to the West Coast International Meeting of the Society of Automotive Engineering, Vancouver, BC. August 1983.

"Status of CMC Fuel Methanol Production and Market Development Programs." Paper presented to the VI International Symposium on Alcohol Fuels Technology, Ottawa. May 21-25, 1984.

PATRICK BOWMAN
PRINCIPAL AND CONSULTANT

EDUCATION: **University of Manitoba**
MNRM (Natural Resource Management), 1998

Prescott College
BA (Human Development and Outdoor Education), 1994.

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd. **Winnipeg, MB**

1998 – Present *Research Analyst/Consultant/Principal*

Regulatory economic analysis and socio-economic impact assessment experience, primarily in the energy field.

Utility Regulation

Conducted research and analysis for regulatory reviews of electrical and gas utilities in four Canadian provinces. Prepare evidence and review testimony for regulatory hearings. Assist in utility capital and operations planning to assess impact on rates and long-term rate stability.

- **For Yukon Energy Corporation (1998-present)**, analysis and support of regulatory proceedings and normal regulatory filings before the Yukon Utilities Board. Appear before YUB as expert on revenue requirement matters. Prepare analysis of major capital projects, financing mechanisms to reduce "rate shock" to ratepayers, as well as revenue requirements.

- **For Yukon Development Corporation (1998-present)**, prepare analysis and submission on energy matters to Government round table on competitiveness of Yukon economy. Coordinate development of options for government rate subsidy program. Assist with review of debt purchase, potential First Nations investment in utility projects, and corporate governance.

- **For Northwest Territories Power Corporation (2000-present)**, provide technical analysis and support regarding General Rate Application. Assist in preparation of evidence, filings before the Northwest Territories' Public Utilities

Board, and related issues. Appear before PUB as expert in cost of service and rate design matters, and on system planning (Required Firm Capacity) review.

- **For Manitoba Industrial Power Users Group (1998-present)**, prepare analysis and evidence for regulatory proceedings before Manitoba Public Utilities Board representing large industrial energy users. Appear before PUB as expert in cost of service and rate design matters in rate proceedings, as well as cost-of-service methodology hearing. Assist in regulatory analysis of the purchase of local gas distributor by Manitoba Hydro. Assist industrial power users with respect to assessing alternative rate structures and surplus energy rates.

- **For Industrial Customers of Newfoundland and Labrador Hydro (2001-present),** prepare analysis and evidence for Newfoundland Hydro GRA hearings before Newfoundland Board of Commissioners of Public Utilities representing large industrial energy users. Appear before PUB as expert in cost of service and rate design matters.

- **For NorthWest Company Limited (2004-present),** review rate and rider applications by Nunavut Power Corporation (Qulliq Energy), provide analysis and submission to rate reviews before the Utility Rates Review Council.

- **For Nexen Chemicals, Inc. (2000)**, review options for subscribing to curtailable service rates.

- **For Columbia Power Corporation/Columbia Basin Trust and Municipal Interveners (2000),** review evidence and prepare analysis on major transmission line project for Public Convenience and Necessity hearing before the British Columbia Utilities Commission.

- **For the City of Yellowknife (1999)**, prepare preliminary analysis of policy options and planning process for development of a municipal piped propane distribution system.

- **For the Government of the Northwest Territories (1999)**, prepare analysis of policy alternatives to facilitate supply of natural gas to local communities in the event of a Mackenzie Valley pipeline being constructed.

- **For INCO Manitoba Division (1998-present)**, prepare analysis of energy costs under various alternative industrial rate options. Provide recommendations on preferred energy rate options.

Socio-Economic Impact Assessment and Mitigation

Provide support in development of local investment opportunities or socio-economic impact mitigation programs for energy projects, including northern Manitoba, Yukon, and NWT. Socio-economic assessment work related to forestry planning in Manitoba and Saskatchewan. Support to two local communities in development of negotiation position for resolving outstanding compensation related to hydro projects in Northern BC. Also conducted assessment of socio-economic impacts of policy options for floodplain management, and strategic planning for resource management board.

- **For Northwest Territories Energy Corporation (2003-present)**, provide analysis and support to joint company/local community working groups in development of business case and communication plans related to potential new major hydro and transmission projects.

- **For Kwadacha First Nation and Tsay Keh Dene (2002-2004):** Support and analysis of potential compensation claims related to past and ongoing impacts from major northern BC hydroelectric development. Review assessment of options related to energy supply, including change in management contract for diesel facilities, potential interconnection to BC grid, or development of local hydro.

- **For Manitoba Hydro Mitigation Department (1999-2002)**, provide analysis and process support to implementation of mitigation programs related to past northern generation projects. Assist in preparation of materials for church-led inquiry into impacts of northern hydro developments.

- **For International Joint Commission (1998)**, analysis of current floodplain management policies in the Red River basin, and assessment of the suitability of other floodplain management policies.

- **For Nelson River Sturgeon Co-Management Board (1998 and 2005)**, an assessment of the performance of the Management Board over five years of operation and strategic planning for next five years.

Government of the Northwest Territories **Yellowknife, NT**

1996 - 1998 *Land Use Policy Analyst*

Conducted research into protected area legislation in Canada and potential for application in the NWT. Primary focus was on balancing multiple use issues, particularly mining and mineral exploration, with principles and goals of protection.

Natural Resources Institute **Winnipeg, MB**

1996 - 1998 *Researcher*

Conducted research on surface rights allocation and access for mining, with particular emphasis on implications of government actions undermining mineral rights tenures. Also undertook analysis of Manitoba's Registered Trapline System and implications for Aboriginal trappers; also, an economic assessment of the property rights system inherent in the provincial Registered Trapline System policy and its implications on efficiency in allocation of the furbearer resource.

PUBLICATIONS: G*overnment Withdrawals of Mining Interests* in Great Plains Natural Resources Journal. University of South Dakota School of Law. Spring 1997.

Legal Framework for the Registered Trapline System in Aboriginal Trappers and Manitoba's Registered Trapline System: Assessing the Constraints and Opportunities. Natural Resources Institute. 1997

Land Use and Protected Areas Policy in Manitoba: An evaluation of multiple-use approaches. Natural Resources Institute. (Masters Thesis). 1998

Electrical Rates in Yukon. Submission by Yukon Development Corporation to Yukon "Government Leader's Economic Forum Series" on Tax Reform and Competitiveness. 1999.

Review of Red River Basin Floodplain Management Policies and Programs. Prepared for Red River Basin Task Force of the International Joint Commission. 1998.

Patrick Bowman Utility Regulation Experience

Utility	Proceeding	Work Performed	Before	Client	Year	Testimony
Yukon Energy Corporation	Final 1997 and Interim 1998 Rate Application	Analysis and Case Preparation	Yukon Utilities Board (YUB)	Yukon Energy	1998	No
Manitoba Hydro	Curtailable Service Program Application	Analysis, Preparation of Intervenor Evidence and Case Preparation	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	1998	No
Yukon Energy	Final 1998 Rates Application	Analysis and Case Preparation	YUB	Yukon Energy	1999	No
Westcoast Energy	Sale of Shares of Centra Gas Manitoba, Inc. to Manitoba Hydro	Analysis and Case Preparation	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	1999	No
Manitoba Hydro	Surplus Energy Program and Limited Use Billing Demand Program	Analysis and Case Preparation	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	2000	No
West Kootenay Power	Certificate of Public Convenience and Necessity - Kootenay 230 kV Transmission System Development	Analysis of Alternative Ownership Options and Impact on Revenue Requirement and Rates	British Columbia Utilities Commission (BCUC)	Columbia Power Corporation/Columbia Basin Trust	2000	No
Northwest Territories Power Corporation (NTPC)	Interim Refundable Rate Application	Analysis and Case Preparation	Northwest Territories Public Utilities Board (NWTPUB)	NTPC	2001	No
NTPC	2001/03 Phase I General Rate Application	Analysis and Case Preparation	NWTPUB	NTPC	2000-02	No - Negotiated Settlement
Newfoundland Hydro	2002 General Rate Application	Analysis, Preparation of Intervenor Evidence and Case Preparation	Board of Commissioners of Public Utilities of Newfoundland and Labrador	Newfoundland Industrial Customers	2001-02	No
NTPC	2001/02 Phase II General Rate Application	Analysis, Preparation of Company Evidence and Expert Testimony	NWTPUB	NTPC	2002	Yes
Manitoba Hydro/Centra Gas	Integration Hearing	Analysis and Case Preparation	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	2002	No
Manitoba Hydro	2002 Status Update Application/GRA	Analysis, Preparation of Intervenor Evidence and Expert Testimony	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	2002	Yes
Yukon Energy	Application to Reduce Rider J	Analysis and Case Preparation	YUB	Yukon Energy	2002-03	No
Yukon Energy	Application to Revise Rider F Fuel Adjustment	Analysis and Case Preparation	YUB	Yukon Energy	2002-03	No
Newfoundland Hydro	2004 General Rate Application	Analysis, Preparation of Intervenor Evidence and Expert Testimony	Board of Commissioners of Public Utilities of Newfoundland and Labrador	Newfoundland Industrial Customers	2003	Yes
Manitoba Hydro	2004 General Rate Application	Analysis, Preparation of Intervenor Evidence and Expert Testimony	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	2004	Yes
NTPC	Required Firm Capacity/System Planning hearing	Analysis, Preparation of Company Evidence and Expert Testimony	NWTPUB	NTPC	2004	Yes
Nunavut Power (Qulliq)	2004 General Rate Application	Analysis, Preparation of Intervenor Submission	Nunavut Utility Rate Review Commission	NorthWest Company (commercial customer intervenor)	2004	No
Nunavut Power (Qulliq)	Capital Stabilization Fund Application	Analysis, Preparation of Intervenor Submission	Nunavut Utility Rate Review Commission	NorthWest Company (commercial customer intervenor)	2005	No
Yukon Energy	2005 Required Revenues and Related Matters Application	Analysis, Preparation of Company Evidence and Expert Testimony	YUB	Yukon Energy	2005	Yes
Manitoba Hydro	Cost of Service Methodology	Analysis, Preparation of Intervenor Evidence and Expert Testimony	Manitoba Public Utilities Board	Manitoba Industrial Power Users Group (MIPUG)	2006	Yes
Yukon Energy	2006-2025 Resource Plan Review	Analysis, Preparation of Company Evidence and Expert Testimony	YUB	Yukon Energy	2006	Yes
Newfoundland Hydro	2006 General Rate Application	Analysis, Preparation of Intervenor Evidence	Board of Commissioners of Public Utilities of Newfoundland and Labrador	Newfoundland Industrial Customers	2006	No - Negotiated Settlement

Appendix D: Correction to YECL-YEC-1-19 REVISED

The Corrected YECL-YEC-1-19 Revised is provided as Attachment D1.

REFERENCE: **Page 2-3 lines 9-11; Page 2-5 Table 2.1; Page 2-16 Table 2.2**

TOPIC: **Primary Wholesale Sales to Yukon Electrical**

PREAMBLE:

Absent Pelly Crossing, wholesale sales are forecast at 238,439 MW.h in 2008 and 264,626 MW.h in 2009, with percentage growth rate of approximately 1.38% in 2008 over 2007 actuals, and 2.39% in 2009 over forecast 2008.

Difference in "ongoing sales" forecast (MW.h) between YEC and YECL (-1,293 MW.h (2008); 3,164 MW.h (2009))

QUESTION:

a) In excel format for each of the WAF and MD grids, please provide the forecast monthly wholesale sales for 2008 and 2009 as compared to actuals for 2005, 2006 and 2007.

b) Other than adjusting for the impact of YEC changing its secondary sales forecast from that originally provided to Yukon Electrical and YEC using actual wholesale sales for the period January 1 - June 30, 2008, please confirm YEC is relying on Yukon Electrical's 2008 wholesale purchased power forecast for purposes of its own 2008 wholesale sales forecast. If not, please explain why.

c) Please confirm that YEC's 2008 "ongoing sales" wholesale sales forecast is 1,293 MW.h lower than what was forecast by Yukon Electrical. If so, please explain why.

d) In excel format, please provide the details of the wholesale sales WAF load growth for the 2001-2004 period averaging 2.2% per year as well as the more recent experienced growth rate in WAF wholesale sales from 2004 - 2007 of 2.5% per year. Please explain what YEC believes have been the major underlying drivers of this growth.

e) Please provide the annual average wholesale sales growth rate and associated details for the period 1996 to 2007 as well as the annual average growth rate for the period 1986 - 2007. Please explain the underlying reasons for the differences in these longer term growth rates relative to the 2.39% ongoing WAF and MD sales (excluding Pelly) growth rate used by YEC for 2009.

f) Other than simply looking at historical averages for the period 2001 -2007, please detail all other work YEC has performed to understand the underlying load drivers of the recent historical growth rate and why these factors are reasonable to use on a go forward basis to determine a wholesale load growth for 2009 and beyond. More specifically, please detail and provide an analysis of the new load that is driving the 6,157 GW.h of ongoing WAF and MD load growth between 2008 and 2009.

g) Did YEC discuss its wholesale sales forecast assumptions with Yukon Electrical prior to the filing of its own Application? If not, why not?

h) Did YEC consider adjusting its 2009 wholesale growth forecast, that appears to be based on simply trending recent past growth, to reflect past “one of” load growth changes experienced in the Whitehorse area including government commercial customers such as the Canada Games Centre, the Copper Ridge Extended Care Facility, the Athletes Village at Yukon College or non-government commercial customers such as Wal-Mart, Superstore and Canadian Tire? If yes, please quantify. If not, please explain why not.

i) Please confirm YEC uses temperature forecasts to forecast its sales load for purposes of determining surplus hydro availability for secondary sales customers. If not, please explain why not If yes, please detail what YEC has learned with respect to the relationships between WAF and MD loads and temperature.

j) Did YEC prepare its 2008 and 2009 wholesale sales forecast on a temperature normalized basis? If not, please provide.

k) Please provide 2001 - 2007 actual wholesale sales and annual growth rates on a temperature normalized basis.

l) Please comment on the impact of the worsening world and Canadian economic situation and outlook on YEC's wholesale sales forecast and, more specifically, on current and new forecast retail customers served off the WAF grid.

ANSWER:

(a)

Please see table below.

WAF Grid Monthly Wholesale Sales for the Years 2005-2009

MW.h

Month	Actual 2005	Actual 2006	Actual 2007	Forecast 2008	Forecast 2009
January	26,230	26,359	25,517	27,529	28,445
February	21,632	21,188	24,331	25,303	26,128
March	20,503	23,851	24,450	22,760	23,512
April	17,498	19,818	20,328	19,402	20,058
May	17,818	17,844	18,304	18,371	18,982
June	16,452	17,017	16,680	18,537	19,142
July	17,281	16,799	17,685	18,100	18,677
August	16,358	17,544	17,524	17,900	18,475
September	17,640	19,010	19,105	19,600	20,243
October	20,323	19,317	20,278	20,860	21,377
November	21,743	26,921	22,383	23,883	24,476
December	23,549	25,340	27,473	25,854	26,496
Total	237,028	251,007	254,059	258,098	266,011

MD Grid Monthly Wholesale Sales for the Years 2005-2009
MW.h

Month	Actual 2005	Actual 2006	Actual 2007	Forecast 2008	Forecast 2009
January	33	100	98	83	100
February	30	83	97	79	98
March	26	92	99	72	100
April	23	63	76	55	77
May	14	56	61	46	62
June	10	40	46	128	47
July	11	46	52	52	53
August	15	46	54	46	46
September	17	50	52	50	51
October	19	69	60	69	70
November	100	109	71	109	110
December	93	100	87	100	102
Total	390	854	855	891	916

(b)

Confirmed, on an annual basis. However, Yukon Energy does not necessarily use the same monthly distribution of wholesale sales forecast as YECL.

(c)

Confirmed. Please see Table 2.1 in Tab 2. Yukon Energy's forecast is different than YECL's as Yukon Energy's filing was able to incorporate actual sales from January to June of 2008.

(d)

Please see table below. Note that the 2.2% growth rate for 2001-2004 was provided in the 20 year Resource Plan hearing, at a time when Yukon Energy had Fish Lake generation readily available, and this value reflects YECL "native" load (i.e., with Fish Lake generation added back). The 2.5% value was calculated for this GRA at a time when YEC did not have YECL Fish Lake generation readily available, and thus was

calculated off of simple WAF wholesale sales (i.e., YECL WAF native load net of Fish Lake generation). With the Fish Lake generation included, as noted in the table below, the YECL native load growth over the period 2004 to 2007 is 2.9% per year, and over the period 2004 to 2008 is 2.8%.

WAF Grid Wholesale Sales for the Years 2001-2008

MW.h

With Fish Lake	2001	2002	2003	2004	2005	2006	2007	2008
Sales								
Wholesale Primary	217,138	220,647	229,731	235,718	237,028	251,007	254,059	262,951
Fish Lake	9,165	8,576	4,948	6,034	6,900	8,200	9,030	6,551
Total	226,303	229,223	234,679	241,752	243,928	259,207	263,089	269,502
Average growth rate 2001-2004				2.2%				
Average growth rate 2004-2007 and 2004-2008							2.9%	2.8%

w/o Fish Lake	2001	2002	2003	2004	2005	2006	2007	2008
Sales								
Total	217,138	220,647	229,731	235,718	237,028	251,007	254,059	262,951
Average growth rate 2001-2004				2.8%				
Average growth rate 2004-2007 and 2004-2008							2.5%	2.8%

Yukon Energy noted, in its April 1 response to YECL's request for additional information that it is not in a position to usefully comment on "major underlying drivers" for the growth reviewed above. As noted in the response to CW-YEC-1-3(c), Yukon Energy is not provided the data by YECL to track YECL's retail loads in a manner that permits identification of the reasons for such variances. Yukon Energy forecasts are based on the best information available to it.

Notwithstanding the above response, Order 2009-4 has directed YEC to "to respond to what it believes are the underlying drivers to its wholesale sales forecast."

YEC's wholesales sales forecasts for the Resource Plan, the 2005 a Required Revenues application and the current Application have been prepared based on adoption of average growth rates as noted in each instance which appear to be reasonable in light of information available to YEC. These forecasts have proven to be useful for YEC planning purposes, keeping in mind that actual individual annual wholesale loads are subject to considerable variability due to weather, Fish Lake generation, and other factors not captured in any forecast for specific year sales.

In preparing its average growth rate assessments, YEC is not able to provide meaningful temperature normalized analysis of wholesale loads because it does not have access to

detailed information on the individual customer class information underlying the wholesale loads. Accordingly, YEC is aware that the growth rate trends it is assessing include material weather impacts affecting each year's data – for this reason, YEC has focused on longer-term trends rather than specific year-to-year comparisons.

As reviewed in response to YECL-YEC-1-19(e), YEC has reviewed longer-term wholesale sales growth trends since 1987 and concluded that since the 5 year hiatus on growth in Yukon after closure of the Faro mine, the loads have been steadily climbing at a rate that more readily approximates the levels shown in YEC's GRA, and slightly above that used in the 2006-2025 Resource Plan (which applied 1.85% as the annual average growth rate). YEC has not attempted to assess specific underlying factors accounting for this ongoing growth, but believes that such growth reflects overall Yukon growth related to a combination of population, government service sector and business sector activities sustaining Yukon development after a recovery period following closure of the Faro mine

Based on review of the recent YECL GRA filings which set out a range of WAF customer class temperature normalized assessments far beyond what is available to YEC, YEC does not believe that overall wholesale forecasting, at least for the current Application, would necessarily be improved through prior access to such additional information.

Based on review of the recent YECL GRA filings which set out considerable additional sales and customer information beyond what is normally available to YEC, it is also not apparent that overall wholesale forecasting at least for the current Application would necessarily be improved through prior access to such additional information.

By way of example, as YECL's GRA information suggests, principal drivers for recent WAF wholesales may reflect growth in big box retail stores as well as growth in office buildings, restaurants, recreational facilities, new house and condominium construction. However, based on YEC's review of the ongoing wholesales sales growth trends, references to the nature of recent "one-off" general service load increments in Whitehorse do not appear to explain why the higher growth rates that these customers help to drive have become the norm rather than the exception.

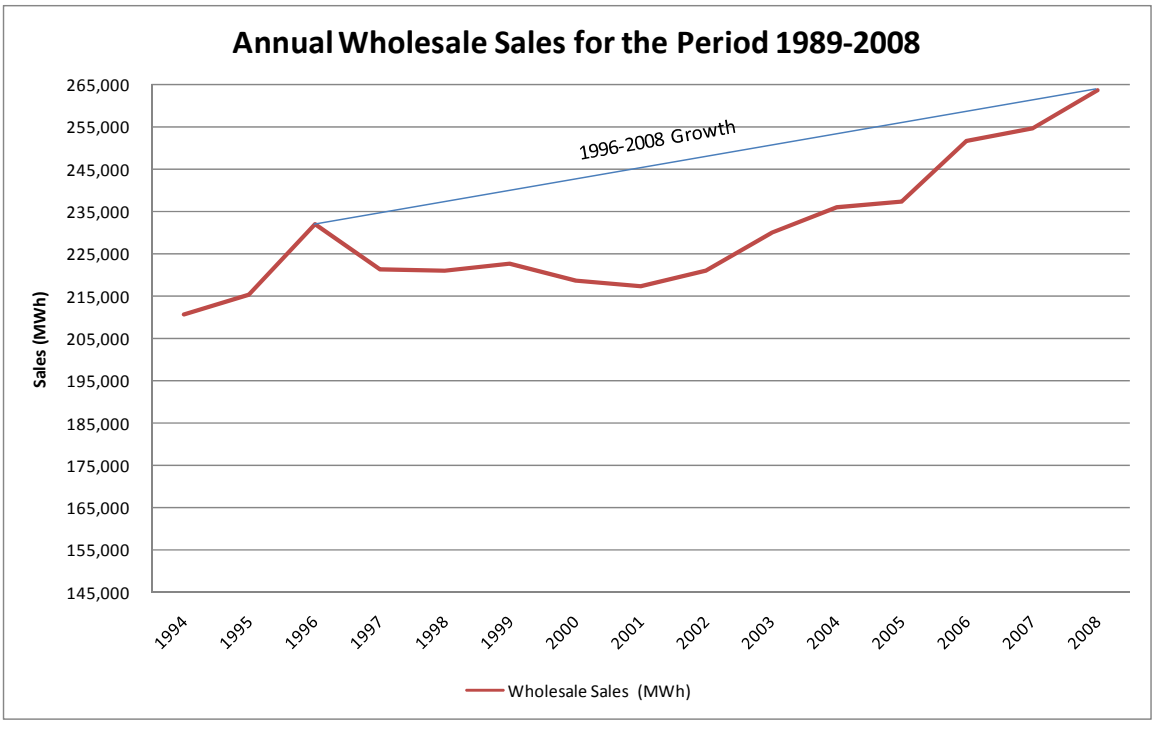
The current world wide recession may introduce new dampers on recent Yukon growth trends that affect wholesale sales. However, the impact of such "drivers" are similar to

weather and Fish Lake sales variances, i.e., beyond the ability of YEC to forecast at the time that its Application was prepared.

(e)

The long-term compounded growth in wholesales as requested, from 1986 (fiscal year ending March 31, 1986, when the assets were owned by NCPC) to 2008 actuals is 2.71% (from 146.6 GW.h to 263.8 GW.h).

The period from 1996 to 2008 is not representative of a reasonable data set for Yukon. The mathematics show a growth rate over this period of 1.07% per annum (from 1996 at 232.1 GW.h to 2008 at 263.8 GW.h). However, as shown in the chart below this is heavily skewed by the closure of the Faro mine and the massive impacts on Yukon that occurred between 1996 and 2001 (when, as noted in the YEC Resource Plan, approximately 10% of Yukon's population left the territory). Since that 5 year hiatus on growth in Yukon, the loads have been steadily climbing at a rate that more readily approximates the levels shown in YEC's GRA, and slightly above that used in the 2006-2025 Resource Plan (which applied 1.85% as the annual average growth rate).



(g)

No. Yukon Energy's GRA load forecast was not completed as of the date of YECL filing its GRA. YEC's basic WAF load forecasting approach, and concerns with YECL's past wholesale forecasts tending to be too low, have been reviewed in the past during the Resource Plan Hearing. Once YEC's current wholesales forecast for 2009 was prepared for its own Application, YEC was not aware of any useful basis to review this forecast with YECL in the midst of YECL's own GRA review.

(f), **(h)**, **(j)** and **(k)**

YEC's WAF forecasts for the Resource Plan Hearing as well as for the current Application have focused on wholesale loads, and have been prepared based on adoption of average growth rates as noted in each instance which appear to be reasonable in light of information available to YEC. These forecasts have proven to be useful for YEC planning purposes, keeping in mind that actual individual annual wholesale loads are subject to considerable variability due to weather and other factors.

As noted above (YECL-YEC-1-19(f)), Yukon Energy is not provided with YECL's customer specific data and therefore cannot carry out (even if it so wanted to) detailed assessments of the underlying customer class growth underlying wholesale growth. Based on review of the recent YECL GRA filings which set out considerable information beyond what is available to YEC, it is not apparent that overall wholesale forecasting at least for the current Application would necessarily be improved through prior access to such additional information. By way of example, references to the nature of "one-off" general service load increments in Whitehorse do not appear to explain why the higher growth rates that these customers help to drive have become the norm rather than the exception.

YEC has not prepared its wholesale forecasts on a temperature normalized basis. Please see CW-YEC-1-3(d) which sets out the 2.5% wholesale growth that YEC used to determine the forecast 2009 wholesale loads. Please see YECL-YEC-1-19(d) in regards to the justification for the 2.5%. YEC cannot provide meaningful temperature normalized analysis of wholesale loads without access to detailed information on the individual customer class information underlying the wholesale loads. Based on review of the recent YECL GRA filings which set out a range of WAF customer class temperature normalized assessments far beyond what is available to YEC, YEC does believe that

overall wholesale forecasting at least for the current Application would necessarily be improved through prior access to such additional information.

(i)

Not confirmed. YEC does not have temperature forecasts for the test years. YEC's approach to forecasting secondary sales interruptions is set out in detail in YECL-YEC-1-23(b) which uses 8 years of monthly load duration curves to represent an average of the overall load response that has been experienced in each specific month of the year. Incorporated into this actual load response is the effects of weather. In short, by using a long term average load shape for each month YEC's approach to forecast availability of secondary sales does in effect consider weather conditions over a long period of time (i.e. normalized). In respect of surplus hydro the relevant consideration for forecasting secondary sales in the test years is the surplus hydro capacity that exists or is constrained from time to time over the course of a year. This factor is the fundamental basis for the analysis contained in YECL-YEC-1-23(b).

(l)

Please see response to PWP/HML-YEC-1-29.