TOPIC: **YEC Planning Cost Accounting Policy (PCAP)**

REFERENCE: **Application, page 5-26 to 5-27 and Appendix 5.1**

The Application includes, as Appendices to this section for approval by the YUB, Yukon Energy's Planning Cost Accounting Policy (Appendix 5.1) … to address amortization of these costs for regulated revenue requirement purposes.

-and-

Due to the unprecedented levels of planning costs incurred since 2009, a new planning cost accounting policy (provided in Appendix 5.1 to Tab 5) is included in this Application to ensure that these costs are addressed and included in rates in a manner that moderates near-term rate impacts for ratepayers.

-and-

The purpose of this policy is to outline the accounting policy for costs incurred in relation to Planning activities.
…

Planning costs deferred without amortization must meet a "Reasonable Assurance Test":

a. Future expenditures will not be recognized as work-in-progress assets until such time as there is reasonable assurance that a Corporation commitment to construction will be made. [original footnotes omitted]
b. In the event a project is abandoned after this step, accrued costs will be amortized over 10 years.

QUESTION:

a) Please provide the rationale and supporting reasons for proposing a planning cost accounting policy.

b) Please explain what is meant by the statement that YEC's proposed PCAP will ensure that "these costs … are included in a manner that moderates near-term rate impact for ratepayers."

c) Please explain what is meant by the phrase “reasonable assurance test”.

d) Please explain the reasons and rationale underlying the amortization period of 10 years for projects that have met the reasonable assurance test but are later abandoned. Please provide examples of past projects with descriptions and the reasons that the project was later abandoned.

e) Please explain the reasons and rationale underlying the amortization period of five years for major projects that do not meet YEC’s reasonable assurance test. Please provide examples of such projects with descriptions and the reasons that the project did not meet the reasonable assurance test.

f) Please explain the reasons and rationale underlying the short carry-over period of approximately 12 months.

g) Please explain how the Board and Interveners are to examine future deferred costs that are included in YEC’s proposed PCAP to ensure that the costs that were incurred, were prudent and to the benefit of customers.

h) How should it be determined whether an expenditure is prudent and to the benefit of ratepayers?

i) Please explain what is meant by “a major project” versus “a project”.

j) Please provide capital expenditure continuity tables for YEC generation and feasibility study projects for the period 2007 to 2013. The tables are to include 2007 projects in addition to those listed in tables 5.2 to 5.7. Please use the attached Excel workbook that includes tabs for generation and feasibility study projects as a guideline.

ANSWER:

(a)

Yukon Energy had an existing planning cost accounting policy reviewed by the YUB as part of the 1993/94 General Rate Application; however, it was determined that it would be prudent to review and update this policy to ensure it reflected the current

circumstances of the Corporation. This concern and requirement was largely driven by the unprecedented levels of planning costs incurred since 2009; the new policy was developed to ensure that these costs are addressed and included in rates in a manner that moderates near-term rate impacts for ratepayers.

Yukon Energy is aware that other utilities have come under scrutiny and criticism due to extensive reliance on deferral mechanisms. In the specific case of BC, the provincial Government and Auditor General have made detailed comments, but the issue also extends more broadly to other jurisdictions where concerns have been raised by regulators and the public. The cited concerns relate to excessive reliance on deferral/regulatory accounts, and to the risks posed to the utility and ratepayers over the long term due to continued deferral of costs. Such criticisms relate to the large number of accounts, the growing balances in each account, the lack of transparency (in current rates and in current financial reporting) to the costs and the financial impacts of deferrals, and the uncertainty regarding any clear plan to reduce growing deferral balances in the future and potential future rate pressures when large amounts of deferred costs are eventually brought into ratebase.

Yukon Energy has also been engaged in an unprecedented level of planning activities (both to ensure continued safe and reliable operation of the existing system due to aged and end of life infrastructure and to provide new supply in order to meet growth on the integrated grid). In this regard it was determined that pushing significant deferred costs to the future would shift risks and cost burden to future ratepayers in a manner that may not be viewed as equitable.

The following principles were applied in development of the new Planning Cost Accounting Policy in order to address the above noted concerns:

- Yukon Energy's planning cost accounting policy must recognize and provide a clear decision-making framework to address rate stability, transparency/accountability and intergenerational equity concerns that can arise where material deferred studies costs continue to accumulate over long periods.

- Yukon Energy's planning cost accounting policy should recognize that deferring material amounts over time without a process or framework for their disposal may serve to undermine the precise objective for deferring the costs - instead of benefiting rate stability, the deferral accounting treatment may become a further

cause of rate instability (i.e., near term rate impacts are avoided with more material impacts required at some future date).

- The need to ensure the existing policy (developed in 1992) reflects, and is sensitive to, the existing requirements or challenges faced by Yukon Energy (related to the need to undertake planning studies to ensure resource options are shelf-ready and can be developed as needed to ensure YEC can meet the generation needs for this non-interconnected system). In this regard,
    - The policy must recognize the requirement to undertake planning studies work prior to developing credible information and plans for a project to the point of meeting a "reasonable assurance" test and (provided the costs are prudently incurred) the basis for recovering these costs through rates as prudent expenditures that benefit all ratepayers.
    - The policy should recognize the need to ensure rate stability over time (i.e., through deferring and amortizing costs over a defined period instead of expensing such costs in the year incurred).

Please also see the response to UCG-YEC-1-40(a) regarding details of other jurisdictions that Yukon Energy reviewed that have allowed planning costs to be amortized.

(b)

Please see part (a) above regarding concerns related to long term rate impacts for rate payers. In terms of moderating near term rate impacts, the one-time transition provision is designed to moderate rate impacts in the test years by allowing for a 10 year (rather that 5 year) amortization period for deferred cost projects that have not reached reasonable assurance in the current test years and that are greater than $1 million. In the future, the new policy will tend to prevent such costs from accumulating to levels that would require such mitigation measures.

(c)

Please see the Planning Cost Accounting Policy provided as Attachment 5.1 to the Application.

Reasonable assurance is generally consistent with Yukon Energy's *Commitment to Proceed* with a specific project. This would be consistent with the following specific types of activities:

- A decision by YEC to define a specific project location, approach, technology;
- Prepare and file a YESAB Project Proposal;
- Enter into substantive negotiations with First Nations or other project partners;
- Preparation of engineering designs and tender materials; and
- Arrangement of project financing where needed.

Recent experience with CSTP and Mayo B has indicated "Commitment to Proceed" or "Reasonable Assurance" at time of a decision to prepare a YESAB filing. As noted for these projects when such filings were made, a filing with YESAB is not a final decision to proceed with a project - such final decision requires a number of other subsequent steps, including: securing necessary permits and approvals; completing engineering design, costing and tendering as required for a final construction contract award; completion of any required agreements with First Nations or other project partners; arrangement of project financing where needed.

(d)

An amortization period of 10 years is proposed for projects that have met the reasonable assurance test but are later abandoned in order to mitigate and smooth rate impacts when such prudent and reasonably incurred costs are included in ratebase. This reflects the reality that at any decision point in the project planning phases up to the point of the *Decision to Construct* there may also be a decision not to proceed with a project. It also reflects the reality that the further along in the planning stages a project proceeds, the greater likelihood that significant costs will be incurred related to assessment, licencing, engineering and tendering costs.

It is difficult to apply a currently developed standard for the new policy to past projects; however, Yukon Energy cannot cite an example of any of its prior projects that

developed beyond pre-feasibility stages of development (into effects assessment or licencing stages) that were later abandoned.

(e)

The amortization period of five years is retained for planning study cost projects that do not meet YEC's reasonable assurance test in order to retain continuity with past amortization policy for such projects and to be sensitive to the existing requirements or challenges faced by Yukon Energy (related to the need to undertake planning studies to ensure resource options are shelf-ready and can be developed to meet generation needs for a non-interconnected system). In this regard, five year amortization of such costs reflects the following requirements:

- Yukon Energy's requirement to undertake planning studies work prior to developing credible information and plans for a project to the point of meeting a "reasonable assurance" test and (provided the costs are prudently incurred) the need for a clear basis for recovering these costs through rates as prudent expenditures that benefit all ratepayers.

- The need to ensure rate stability over time (i.e., through deferring and amortizing costs over a defined period instead of expensing such costs in the year incurred).

The five year amortization period for such costs also reflects current policy for the Northwest Territories Power Corporation.

For the test years a one-time transition approach of 10 years is also applied for specific existing major deferred cost projects over $1 million that do not meet the reasonable assurance test in order to mitigate or smooth rate impacts in the test years. Projects less than $1 million were deferred and amortized based on the current 5 year practice.

Major projects that did not meet reasonable assurance and that were deferred and amortized over 10 years are noted in footnote 4 of the Planning Cost Accounting Policy and are noted below. Detailed descriptions for each of these projects are provided in Section 5.3.1 of the Application and in interrogatory responses noted, including the rationale for each project.

- Marsh Lake Storage; Tab 5, pages 5-30 to 5-33; YUB-YEC-1-42; YECL-YEC-1-38; YCS-YEC-1-11.

- Atlin Storage; Tab 5, pages 5-35 to 5-36; YUB-YEC-1-44; YCS-YEC-1-13.

- Gladstone Diversion; Tab 5 pages 5-33 to 5-35; YUB-YEC-1-43; LE-YEC-1-25; YCS-YEC-1-12.

- Geothermal; pages Tab 5 pages 5-46 to 5-47; YUB-YEC-1-50; YECL-YEC-1-40.

- Waste to Energy; Tab 5 pages 5-41 to 5-44; YUB-YEC-1-47; YCS-YEC-1-16.

None of the above projects has completed project definition (Phase 1 as reviewed in response to YUB-YEC-1-40(b)). None of the reasonable assurance tests have been met for any of the above projects:

- Preparation of environmental assessment applications for filing with YESAB (i.e., YESAB Project Proposal) or other regulatory/ permitting process have not commenced;

- Substantive negotiations with First Nations or other project partners regarding the defined project have not commenced;

- Engineering designs or other tender materials have not been prepared;

- Project financing has not been secured.

The reasons that a project has not yet met the reasonable assurance test can vary. In the above example, Marsh Lake Storage and Gladstone Diversion have not yet completed the studies and assessments needed for such a decision to be made; geothermal remains at an even earlier stage of assessment; in contrast, the decision has been made, based on the planning study work done, not to proceed further at this time on the Atlin Storage or Waste to Energy projects.

(f)

See response to part (a) above. A 12 month carry over period was deemed appropriate in order to formalize a process for a systematic annual internal review of deferred costs.

(g)

Deferred costs incurred to date are provided for review in the current Application and the Board may assess prudence of current costs and forecast test year costs for each deferred project. Future deferred costs will need to be reviewed by the Board prior to being included in rates. At that time the Board and intervenors will have the opportunity to review the prudence of such expenditures.

(h)

Please see response to YUB-YEC-1-24.

(i)

As noted in Tab 5 of the Application, Major Projects are considered to be capital projects greater than $1 million. This definition is only relevant to the one-time transition provisions.

(j)

Please see Attachment 1 to this response which reviews Feasibility Projects and Major Generation as requested.

Please note that the continuity schedule corrects 2009 WIP opening balances for feasibility study projects (please see notes in the excel file). There is no impact on the projects' 2009 closing balances due this corrections.

2007 as provided in 2008/09 GRA

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/Write-offs	Additions	WIP Closing Balance
Carmacks-Stewart Transmission Line	995	(995)			-
Resource Plan Phase 2	678,818	(450,247)		(228,570)	-
L170 Line Assessment	6,947	207,040		(213,987)	-
2006 Dam Safety Upgrades	62,158	73,547		(27,141)	108,564
Carmacks-stewart Transmission Line Phase 2	784,940	(784,940)			-
Western Copper Aerial Photo Mapping & Route Sele	28,513	(3,313)			25,200
Minto Copper Distribution Line	171,109	(171,109)			-
Marsh Lake Fall Storage	51,255	11,323		(62,578)	-
Southern Lakes Hydrology Study	10,358	90,103			100,461
2006 Yukon River Downstream Icing	20,020	126,592		(146,612)	-
Wareham Spillway Wall Raise	-	8,588		(8,588)	-
Customer Billing System Replacement	-	51,724		(51,724)	-
Carmacks-stewart Trans Line Phase 3	138,264	(138,264)			-
Hydro Storage & Generation Pre-feasibility	-	501,222			501,222
Wareham Intake Rock Face Assessmt	-	583			583
Minto Mine PPA	-	767,856			767,856
Mayo Wareham Liqufaction Analysis	-	98,711			98,711
Total	1,953,379	388,419	-	(739,202)	1,602,596

2007 Actual

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/Write-offs	Additions	WIP Closing Balance
Carmacks-Stewart Transmission Line	995	(995)		-	0
Resource Plan Phase 2	678,818	(450,247)		(228,570)	-
L170 Line Assessment	6,947	207,040		(213,987)	-
2006 Dam Safety Upgrades	62,158	73,547		(27,141)	108,564
Carmacks-stewart Transmission Line Phase 2	784,940	(784,940)		-	-
Western Copper Aerial Photo Mapping & Route Sele	28,513	(3,313)			25,200
Minto Copper Distribution Line	171,109	(171,109)		-	0
Marsh Lake Fall Storage	51,255	11,323		(62,578)	-
Southern Lakes Hydrology Study	10,358	90,103		-	100,461
2006 Yukon River Downstream Icing	20,020	126,592		(146,612)	-
Wareham Spillway Wall Raise	-	8,588		(8,588)	-
Customer Billing System Replacement	-	51,724		(51,724)	-
Carmacks-stewart Trans Line Phase 3	138,264	(138,264)		-	(0)
Hydro Storage & Generation Pre-feasibility	-	501,222		-	501,222
Wareham Intake Rock Face Assessmt	-	583		-	583
Minto Mine PPA	-	767,856			767,856
Mayo Wareham Liqufaction Analysis	-	98,711		-	98,711
	1,953,379	388,419	-	(739,202)	1,602,596

	2008 per 2008/09 GRA				
Feasibility Study	**WIP Opening Balance**	**Expenditures**	**Transfers/ Adjustments/Write-offs**	**Additions**	**WIP Closing Balance**
Aishihik Runner Up-rate Study		110,000		(110,000)	-
Aishihik River Icing Study		58,900		(58,900)	-
Wareham Dam Reliability Study		55,000		(55,000)	-
2006 Dam Safety Upgrades	108,564	2,000		(110,564)	-
Western Copper Transmission Line	25,200	-			25,200
Southern Lakes Hydrology Study	100,461	60,000		(160,461)	-
Hydro Storage & Generation Pre-feasibility	501,222	130,000		(631,222)	-
Wareham Intake Rock Face Assessmt	583	100,000		(100,583)	-
Minto Mine Ppa	767,856	8,435		(776,291)	-
Mayo Wareham Liqufaction Analysis	98,711	4,000		(102,711)	-
Mayo B		1,700,000			1,700,000
Other Generation Feasibilities		800,000			800,000
Investigate International Financial Reporting Standards		45,700			45,700
Total	1,602,596	3,074,035	-	(2,105,731)	2,570,900

2008 Actual

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/Write-offs	Additions	WIP Closing Balance
2006 Dam Safety Upgrades	108,564	1,680		(110,244)	-
Southern Lakes Hydrology Study	100,461	69,782		(170,243)	-
Hydro Storage & Gen Pre-Feas	501,222	93,196		(594,418)	-
Wareham Intake Rock Face Assessmt	583	9	(592)		-
Mayo Whrm Liqufaction Analysis	98,711	(25,835)		(72,876)	-
Hydro Storage and Generation		-			-
Aishihik River Icinng		27,114			27,114
International Financial Reporting Standards		18,823			18,823
Aishihik Unit Up-rate Study		5,169			5,169
Wareham Rock Face Feas. Phase 2		52,294			52,294
Warham Liquefication Assessment		40,755		(37,904)	2,851
Warham Dam Reliability		19,328			19,328
Mayo B		1,880,211			1,880,211
Resource Plan Oversight		163,296			163,296
Gladstone		39,063			39,063
Marsh		46,666			46,666
Large Hydro & Other		81,255			81,255
Geothermal		208,443			208,443
CSTL Stage 2		938,444			938,444
Western Copper Aerial Photo Mapping & Route Sele	25,200				25,200
Minto Mine PPA	767,856	1,201		(769,057)	-
L170 transmission Line Asses. Carmarcks		206,721		(206,721)	-
Total	1,602,596	3,867,613	(592)	(1,961,462)	3,508,156

2009 per 2008/09 GRA

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/Write-offs	Additions	WIP Closing Balance
Diesel Seismic Study - Dawson, Whitehorse, Faro		70,000		(70,000)	-
Customer Billing System		75,000		(75,000)	-
Mayo Lake Dam Assessment		100,000		(100,000)	-
Western Copper - Grid Connection YESAA & PPA	25,200	1,000,000			1,025,200
Western Copper - Grid Connection YESAA & PPA (cust Contribution)		(1,000,000)			(1,000,000)
Mayo B	1,700,000	6,500,000			8,200,000
CSTP Stage II		1,000,000			1,000,000
Other Generation Feasibilities	800,000	4,300,000			5,100,000
Alexco Mine - Feasibility & Permitting		300,000			300,000
Alexco Mine - Customer Contribution		(300,000)			(300,000)
Feasibility Studies And Engineering Assesments		50,000			50,000
Investigate International Financial Reporting Standards	45,700	105,500			151,200
Total	2,570,900	12,200,500	-	(245,000)	14,526,400

2009 Actual

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/Write-offs	Additions	WIP Closing Balance
Wareham Liquefaction Assessment (note 4)	2,851	170		(3,021)	-
Wareham Dam Reliability (note 4)	19,328	2,038		(21,365)	-
Aishihik Unit Up-rate Study (note 4)	5,169	285		(5,454)	-
Wareham Rock Face Feasibility Phase 2 (note 4)	52,294	3,608		(55,902)	-
Mayo Lake Structure Integrity Assessment		25,467		(25,467)	-
Wareham Liquefaction Assessment		22,117		(22,117)	-
Wareham Spillway Hoist Upgrade		41,617		(41,617)	-
Metering Audit 2009		30,510		(30,510)	-
Protection Event Collection System		28,154		(28,154)	-
Aerial Photo Mapping & Route Selection	25,200	5,033			30,233
Aishihik River Icing	27,114	42,901			70,015
International Financial Reporting Standards	18,823	236,283			255,107
Geothermal	208,443	1,099,142			1,307,584
Power Benefit Model Development		1,724			1,724
Wareham Consequence Category Assessment		50,375			50,375
AH0 Deluge System		22,863			22,863
WAF/MD Modeling and Stability		215,203			215,203
Hydro Unit Performance Test		251,777			251,777
Study P126 Heating System		4,228			4,228
Metering Audit 2009		35			35
Alexco Resource Corporation PPA		39,989			39,989
Resource Plan Oversight (notes 1 and 2)	163,296	(163,296)			
Marsh Lake Storage (note 1)	46,666	400,501			447,167
Atlin Storage		446,195			446,195
Gladstone (note 1)	39,063	972,936			1,011,999
Large Hydro (note 1)	81,255	250,608			331,863
Mayo B	1,880,211	5,560,658	(7,440,869)		-
CSTP2 (note 3)	938,444	-	(938,444)		-
Total	3,508,156	9,591,121	(8,379,313)	(233,606)	4,486,358

Note:

1. These projects were components of one project in 2008. In 2009 these projects were assigned their own projects accounts with the associated balances being transferred to their respective accounts (i.e. the balance related to Marsh Lake was transferred to the newly created Marsh Lake Storage project). Table 5.3 in error rolled the opening 2009 WIP balances for these projects into the 2009 expenditures. This is a presentation error and as such there is no impact on the projects' closing balances due this error.

2. The cost is allocated to Marsh Lake, Atlin, Gladstone and Large Hydro projects.

3. Corrected WIP and transfer balance.

4. Table 5.3 in error rolled the opening 2009 WIP balances for these projects into the 2009 expenditures. This is a presentation error and as such there is no impact on the projects' closing balances due this error.

2010 Actual

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/ Write-offs	Additions	WIP Closing Balance
Protection Event Collection System		33		(33)	
AH0 Deluge System	22,863	2,656		(25,519)	-
P125 Headgates Single Point		50,419		(50,419)	-
Aerial Photo Mapping & Route Selection	30,233				30,233
Aishihik River Icing	70,015	18,042			88,057
International Financial Reporting Standards	255,107	178,841			433,948
Geothermal	1,307,584	278,341			1,585,925
Power Benefit Model Development	1,724	(1,724)			0
Wareham Consequence Category Assessment	50,375	11,955	(62,330)		-
WAF/MD Modeling and Stability	215,203	261,918			477,121
Hydro Unit Performance Test	251,777	65,219			316,996
Study P126 Heating System	4,228	49	(4,276)		-
Metering Audit 2009	35	(35)			0
Alexco Resource Corporation PPA	39,989	6,702	(46,691)		-
Wind Feasibility- Ferry Hill		36,124			36,124
Mayo/Wareham Geotechnical Investigation		44,565			44,565
WH4 (Rotor) Investigation		28,771			28,771
Waste To Energy		235,777			235,777
Communications Stategy Study		16,684			16,684
P125/126 Hydrocarbon Containment		26,396			26,396
Study of Ice Processes in the Mayo River at Mayo		12,067			12,067
Marsh Lake Storage	447,167	1,035,711			1,482,879
Atlin Storage	446,195	1,616,254			2,062,448
Gladstone	1,011,999	2,077,573			3,089,572
Large Hydro	331,863	149,042			480,905
Mayo B		2,422,837	(2,431,581)		(8,744)
Mayo Lake Project		613,764	(613,764)		-
Total	4,486,358	9,187,981	(3,158,642)	(75,971)	10,439,726

2011 Full Year Forecast

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/ Write-offs	Additions	WIP Closing Balance
Wareham Consequence Category Assessment		62,882		(62,882)	-
Mayo/Wareham Geotechnical Investigation	44,565	(3)		(44,562)	-
Geothermal	1,585,925	361,485		(1,947,410)	-
WAF/MD Modeling and Stability	477,121	(29,585)		(447,536)	-
Hydro Unit Performance Test	316,996	23,204		(340,200)	-
WH4 (Rotor) Investigation	28,771	69,196		(97,967)	-
Communications Strategy Study	16,684	63,892		(80,576)	-
P125/126 Hydrocarbon Containment	26,396	1,176		(27,572)	-
Study of Ice Processes in the Mayo River at Mayo	12,067	167,197		(179,265)	-
IT Security Audit		38,071		(38,071)	-
Mayo River Salmon Enhancement		7,212		(7,212)	-
Mayo Lake Control Structure - Fish Passage		2,569		(2,569)	-
Atlin Storage	2,062,448	168,204		(2,230,652)	-
Wind Feasibility- Ferry Hill	36,124	391,917		(428,041)	-
International Financial Reporting Standards	433,948	131,821		(565,769)	-
System Stability Review		99,961		(99,961)	-
Western Copper - Aerial Photo Mapping & Route Sele	30,233			(30,233)	-
Short Term Energy Storage Feasibility		44,200		(44,200)	-
Atlin Grid Connection Feasibility Study		109,941		(109,941)	-
Mayo Lake Outlet Channel Bathymetry & Water Output Analysis		13,250		(13,250)	-
Climate Change Study		106,659		(106,659)	-
Large Hydro	480,905	190,852		(671,757)	-
Aishihik River Icing - Berm	88,057	10,829	(98,886)		-
District Heating		70,449			70,449
District Heating - Contributions		(530,000)			(530,000)
Waste to Energy	235,777	505,226			741,003
Waste to Energy - Contributions		(112,500)			(112,500)
LNG (Liquified Natural Gas)		168,905			168,905
Mayo B	(8,744)	-	8,744		-
Marsh Lake Storage	1,482,879	1,748,029			3,230,907
Gladstone	3,089,572	604,052			3,693,624
Total	10,439,725	4,489,091	(90,142)	(7,576,285)	7,262,389

2012 Forecast

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/ Write-offs	Additions	WIP Closing Balance
Geothermal		385,755		(385,755)	-
WH4 (Rotor) Investigation		175,310		(175,310)	-
Study of Ice Processes in the Mayo River at Mayo		50,000		(50,000)	-
District Heating	70,449	460,000		(530,449)	-
District Heating - Contributions	(530,000)				
Large Hydro		200,000		(200,000)	-
International Financial Reporting Standards		101,307		(101,307)	-
Atlin Grid Connection Feasibility Study		50,000		(50,000)	-
Mayo Lake Outlet Channel Bathymetry & Water Output		55,500		(55,500)	-
Climate Change Study		50,000		(50,000)	-
Wind Feasibility- Ferry Hill		100,000		(100,000)	-
System Stability Review		150,000		(150,000)	-
Waste to Energy	741,003	612,500		(1,353,503)	-
Waste to Energy - Contributions	(112,500)	(112,500)		225,000	-
Aishihik Hydro - Turbine-rerunnering		150,000		(150,000)	-
Faro FD1 Mirrlees Generator Assessment Rad Repair		50,000		(50,000)	-
Hydraulic Wood Removal System for Spill Gates at WH		75,000		(75,000)	-
Wareham Spillway Hoist Upgrade		100,000		(100,000)	-
Whitehorse Dam Break and Mapping		80,000		(80,000)	-
Marsh Lake Storage	3,230,907	800,000		(4,030,907)	-
Gladstone	3,693,624	200,000		(3,893,624)	-
LNG (Liquified Natural Gas)	168,905	1,500,000			1,668,905
Total	7,262,389	5,232,872	-	(11,356,356)	1,668,905

2013 Forecast

Feasibility Study	WIP Opening Balance	Expenditures	Transfers/ Adjustments/ Write-offs	Additions	WIP Closing Balance
Geothermal		300,000		(300,000)	-
District Heating		500,000		(500,000)	-
Large Hydro		100,000		(100,000)	-
Wind Feasibility- Ferry Hill		100,000		(100,000)	-
Waste to Energy		500,000		(500,000)	-
Wareham Spillway Hoist Upgrade		650,000		(650,000)	-
Marsh Lake Storage		800,000		(800,000)	-
Gladstone		500,000		(500,000)	-
Condition Assessment of Selected YEC Assets		150,000		(150,000)	-
VOIP Assessment		35,000		(35,000)	-
Diesel Seismic Study - Dawson, Whitehorse, Faro		70,000		(70,000)	-
LNG (Liquified Natural Gas)	1,668,905		(1,668,905)		-
Total	1,668,905	3,705,000	(1,668,905)	(3,705,000)	-

2007 Actual

Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
FD-1 (Note 1)		608,825		608,825

Note:
1. Includes cost for subcomponents.

2008 Decision

Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
FD-1	407,162	1,158,240		1,565,402
WD3		1,100,000		1,100,000
Aishihik Third Turbine Construction		750,000		750,000

	2008 Actual			
Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
FD-1	608,825	920,098		1,528,923
WD3		915,448		915,448
Aishihik Third Turbine Construction		279,280		279,280

Note:
1. Minto Diesels Phase 1 cost is sum of the project subcomponents.

2009 Decision

Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
FD-1	1,565,402		(1,565,402)	
WD3	1,100,000		(1,100,000)	
Aishihik Third Turbine Construction	750,000	3,500,000		

	2009 Actual			
Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
Mayo B - Construction		7,440,869		7,440,869
Aishihik Third Turbine Construction (note 1)	279,280	3,794,712		4,073,992
Aishihik Generation Station Redundancy		101,567		101,567
Mayo Head Gate Repairs		61,666		61,666
Whitehorse Spillway Improvements		-		-
FD-1	1,528,923	822,535		2,351,458
WD3	915,448	702,317	(1,617,765)	-

Note:

1. Table 5.2 in error rolled the opening 2009 WIP balances for Aishihik Third Turbine Construction into the 2009 expenditures. This is a presentation error and as such there is no impact on the project's closing balance due this error.

2010 Actual

Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
Mayo B - Construction	7,440,869	41,199,822		48,640,691
Aishihik Third Turbine Construction	4,073,992	4,742,490		8,816,482
Aishihik Generation Station Redundancy	101,567	706,076		807,643
Mayo Head Gate Repairs	61,666	204,347		266,014
Whitehorse Spillway Improvements	-	-		-
FD-1	2,351,458	626,487	(2,977,945)	

2011 Full Year Forecast

Generation	CWIP Opening Balance	Capital Expend.	Capital Additions	CWIP Closing Balance
Mayo B - Construction	48,640,691	60,721,436	(109,362,127)	-
Aishihik Third Turbine Construction	8,816,482	5,000,257	(13,816,739)	-
Aishihik Generation Station Redundancy	807,643	5,300,244	(6,107,887)	-
Mayo Head Gate Repairs	266,014	428,430		694,444
Whitehorse Spillway Improvements	-	96,440		96,440

	2012 Forecast			
Generation	**CWIP Opening Balance**	**Capital Expend.**	**Capital Additions**	**CWIP Closing Balance**
Mayo B - Construction	-	7,226,144	(7,226,144)	-
Aishihik Third Turbine Construction	-			-
Aishihik Generation Station Redundancy	-	257,313	(257,313)	-
Mayo Head Gate Repairs	694,444	639,956	(1,334,400)	-
Whitehorse Spillway Improvements	96,440	575,000		671,440

	2013 Forecast			
Generation	**CWIP Opening Balance**	**Capital Expend.**	**Capital Additions**	**CWIP Closing Balance**
Mayo B - Construction				-
Aishihik Third Turbine Construction				-
Aishihik Generation Station Redundancy				-
Mayo Head Gate Repairs				-
Whitehorse Spillway Improvements	671,440	575,000	(1,246,440)	-