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THE YUKON ELECTRICAL COMPANY LIMITED

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Section 1 – Overview

This Phase I application deals with The Yukon Electrical Company Limited's ("Yukon Electrical") requested approval of the revenue requirement detailed herein for the test period 2008-2009.

This overview will discuss:

- Background
- Organization
- Summary of Application
 - Assumptions
 - Revenue Requirement
- Summary of Approvals being Requested
 - Revenue Requirement
 - Deferral Accounts
- Witnesses

Background

Yukon Electrical distributes electricity to the majority of Yukon residents. It has approximately 15,000 customers throughout the Yukon and also serves several remote communities through diesel generating plants.

Yukon Electrical has been providing electrical service to Yukoners for over a century. Chartered in 1901, the pioneer company began generating electricity for the handful of residents of Whitehorse using a wood-fired, horizontal piston steam engine. Since then, Yukon Electrical has grown to serve more than 15,000 customers in 19 communities. A private, investor-owned utility, Yukon Electrical is a member of the ATCO Group of Companies. Its head office and service centre are in Whitehorse.



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Yukon Electrical purchases power from Yukon Energy and distributes it to customers in the communities of Whitehorse, Marsh Lake, Tagish, Teslin, Haines Junction, Carmacks, Carcross, Keno, Stewart Crossing and Ross River. Other Yukon Electrical service areas include Canyon Creek, Deep Creek, Takhini River Crossing as well as a variety of rural areas north, south and west of Whitehorse. It maintains back-up generating plants in Carmacks, Teslin, Haines Junction, Ross River and Stewart Crossing in the event of a power interruption.

The company generates and distributes its own power in Old Crow, Pelly Crossing, Beaver Creek, Destruction Bay, Burwash, Upper Liard, Lower Post, Watson Lake and Swift River. Yukon Electrical has customer service offices in Whitehorse and Watson Lake and plant operators in nine communities. Yukon Electrical also owns and operates the Fish Lake Hydro plant, on the outskirts of Whitehorse. Built in 1950, the Fish Lake plant remains a steady contributor of power to the Whitehorse-Aishihik-Faro (WAF) grid.

Although Yukon Electrical has not been before the Yukon Utilities Board with a General Rate Application since the test years 1996-1997, Yukon Electrical has continued to provide safe reliable and cost effective service to our customers. However there have been significant cost pressures in recent years that require Yukon Electrical to come forward to the Board to ensure that it is possible to continue to deliver the same high standard of service to customers at fair and reasonable rates.

Organization

Yukon Electrical is a wholly owned subsidiary of ATCO Electric Ltd and is a proud member of the ATCO group of companies.



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1 Summary of Application

<u>Assumptions Used</u>	<u>2008</u>	<u>2009</u>
Collective Agreement Staff (In-Scope) Labour Escalations (excluding increments)	4%	9.5%
Outside Collective Agreement Staff (Out-of-Scope) Labour Escalations	5%	7.5%
Other Inflation	5.0%	5.0%
Long Term Debt	6.60%	6.60%

2 Revenue Requirement

3 The revenue requirement during the test period is \$46,660,000 in 2008 and
4 \$47,902,000 in 2009.

5 This revenue requirement represents an increase over the amount that would be
6 recovered under existing rates and riders of \$2,220,000 in 2008 and \$4,130,000 in
7 2009. This represents a 5.9% increase in 2008 and a 5.1% increase in 2009. These
8 increases do not include fuel price increases as shown in Section 4 of the application.

9 The components of revenue requirement are outlined in Schedule 1.1 and are
10 discussed in Sections 1 through 10 of this application. Significant items of note are the
11 updating of fuel rates from 1997 levels outlined in Section 4, the labour and fringe
12 escalations as described in Section 5 and the amortization of deferred costs described
13 in Section 8. Also included in Section 8 is expert testimony from Foster Associates, Inc.
14 ("Foster") on a fair return comprised of both an appropriate capital structure and a return
15 on equity for the test period 2008-2009. Yukon Electrical has chosen to engage Foster
16 and Associates, Inc. given the extended period since these matters were examined in
17 detail by the Board and the nature of the changes requested. In this application, Yukon
18 Electrical has incorporated a 9.25% rate of return on a common equity ratio of 47.5% by
19 the end of 2008.

Summary of Approvals Being Requested

Yukon Electrical is seeking approval of the following for the 2008-2009 test period:

Revenue Requirement

The revenue requirement Yukon Electrical is seeking approval for is \$46,660,000 for 2008 and \$47,902,000 for 2009.

Deferral Accounts

Yukon Electrical is seeking approval to continue utilizing the following deferral accounts:

Purchased Power Flow Through

A Purchased Power deferral account is being requested to flow through increases or decreases to the rates being charged by Yukon Energy that are incorporated in this application. The details of this deferral account are discussed in Section 3.

Fuel Price Flow Through

Yukon Electrical will continue to recover variances in diesel costs through Rider F. The variances in the diesel costs will be the variance from the forecast diesel costs in the test period as outlined in Schedule 4.2. These costs are the forecasts for the test period using the best information available at this time and are updated from the forecasts used as the basis for the rider that is currently in place. The rider currently captures variances from the forecast 1997 fuel prices.

Diesel Contingency Fund

Given that diesel may be on the margin during certain months in the test period, the continuation of the diesel contingency fund as approved during the 1996/1997 GRA should be continued. The details of this deferral are outlined in Section 3.

1 Yukon Electrical is seeking approval to utilize the following new deferral accounts:

2 Increased Fuel Costs Associated with Pelly Crossing

3 Yukon Electrical's forecast generation in the test period assumes the connection of
4 Pelly Crossing to the WAF grid effective November 1, 2008. As the timing of
5 commencement of this service is uncertain and the costs associated with this
6 assumption are material, Yukon Electrical is seeking a deferral account for the
7 incremental costs associated with any changes that result from reliance on the current
8 assumption. The details of this deferral account are outlined in Section 4.

9 Income Tax Rate Variance Deferral Account

10 The income tax rates used by Yukon Electrical in preparing the forecast income tax
11 expense for the test period are detailed on Page 10-1. As there is potential for certain
12 income tax rates to change, Yukon Electrical is seeking approval for a deferral account
13 for the rates detailed on Page 10-2. The details of this deferral account are discussed
14 in Section 10.

15 The above noted ongoing and new deferral accounts meet the typical criteria for the
16 establishment of a deferral account and are required as the costs related to these
17 deferral accounts are:

- 18 1) Not under the control of the company and are not reasonably forecastable;
19 or
20 2) An error in forecasting could produce a loss or gain of a substantial magnitude.

21 **Phase II and Interim Rate Riders**

22 Yukon Electrical and The Yukon Energy Corporation ("Yukon Energy") have had
23 preliminary discussions regarding the development and filing of a joint Phase II GRA



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1 that would include a Cost of Service Study, Rate Design, Rate Schedules and Terms
2 and Conditions based on Yukon Electrical's and Yukon Energy's combined 2009
3 revenue requirement and sales forecast. It is expected this joint Phase II GRA would be
4 filed within three months of Yukon Energy filing its Phase I GRA.

5 During the intervening period, Yukon Electrical is proposing to implement riders that will
6 be applied to existing primary base rates to recover the difference between forecast
7 revenues at existing rates and riders, as of December 2007, and the forecast 2008
8 revenue requirement. This proposal is similar to the approach previously approved by
9 the Board for YEC's Rider J.

10 To minimize the rate impact to customers, Yukon Electrical is hereby applying for an
11 Interim Refundable Rate Rider, Rider R, and a Temporary Refund / Surcharge Rider,
12 Rider G, commencing July 1, 2008. These riders would be applied to all Yukon
13 Electrical and Yukon Energy retail customer bills, excluding Secondary Energy Rate 32
14 and Industrial Primary Rate 39, to collect the revenue shortfall on an interim refundable
15 basis. The details of these riders are discussed in Section 11.

16 **Summary of Placeholders**

17 As outlined in Page 5-4, affiliate charges associated with ATCO I-Tek and ATCO I-Tek
18 Business Services costs are currently being reviewed as part of a benchmarking
19 process before the Alberta Utilities Commission ("AUC"). Yukon Electrical proposes
20 these costs as placeholders and will update these for the impact of the benchmark
21 report when the appropriate approvals have been finalized and approved by the AUC.

22 **Witnesses**

23 Yukon Electrical has not yet finalized its position regarding the specific witnesses who
24 will be brought forward to speak to various aspects of this application. This decision will
25 be influenced to some degree by the areas in which the Board and Interveners show the



- 1 most interest. Yukon Electrical will provide a list of its witnesses to the Board as soon
- 2 as the final decision has been made.

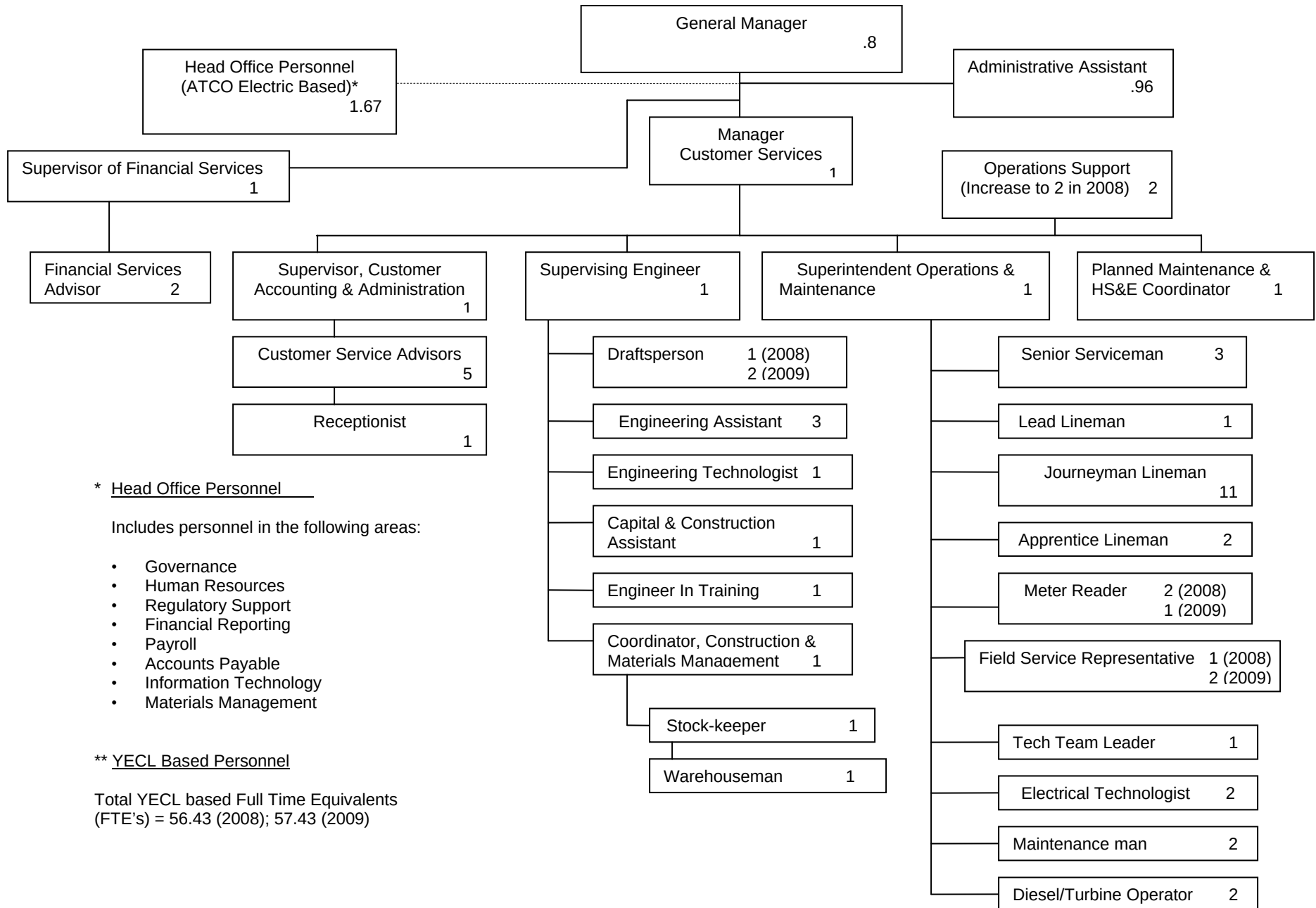
Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Utility Revenue Requirement
(\$000s)

Schedule 1.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Revenues					
2	Retail revenues	S.2.1 L.45	39,115	40,177	45,850	47,075
3	Other revenue	S.2.2 L.6	760	784	810	827
4	Total Revenues		<u>39,875</u>	<u>40,961</u>	<u>46,660</u>	<u>47,902</u>
5						
6	Costs					
7	Purchase power	S.3.1 L.13	23,239	23,647	23,846	23,494
8	Diesel Fuel	S.4.1 L.6	2,026	2,054	5,715	5,299
9	Operations and maintenance	S.5.1 L.49	6,969	7,290	8,758	9,317
11	Property Taxes	Page 6-1	230	235	249	261
12	Depreciation	S.7.1 L.4	3,901	4,171	4,365	4,837
13	Amortization of contributions	S.8.11 L.8	(1,008)	(1,092)	(963)	(1,028)
14	Amortization of deferred costs/credits	S.8.8 L.7	-	187	652	652
15	Return on rate base	S.8.1 L.5, 10, 15, 20	3,484	3,614	3,618	4,026
16	Income taxes	S.10.1 L.30	1,034	855	421	1,044
17	Total Costs		<u>39,875</u>	<u>40,961</u>	<u>46,660</u>	<u>47,902</u>

Organizational Chart Yukon Electrical Company Limited 2008 - 2009

Section 1
Attachment 1
Page 1 of 1





THE YUKON ELECTRICAL COMPANY LIMITED

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Section 2 – Sales and Revenue

Overview

In 2007, Yukon Electrical provided electrical service to an average of more than 15,000 customers (excluding lighting customers) supplying a total of 292 GW.h of power. This represented an increase in primary sales of 1.7% and secondary sales of 9.3% from 2006. While residential sales were relatively flat at 0.1% growth, commercial sales grew 3.1%. The increase in commercial growth was mainly due to the addition of a small number of larger retail stores, a new housing complex located near Yukon College as well as one time sales associated with the Canada Winter Games. The growth in secondary sales was mainly due to existing customers increasing their purchases.

Total primary sales are forecast to increase 0.8% in each of 2008 and 2009. Secondary sales are forecast to decrease by 28.5% in 2008 and 58.7% in 2009 as Yukon Energy is forecasting a decrease in surplus hydro and as a result has significantly reduced its forecast of secondary sales. Table 1 provides the breakdown of sales by customer class.–

Table 1
Yukon Electrical Sales by Customer Class
(MW.h)

Customer Class	Actuals		Test Period	
	2006	2007	2008	2009
Residential	122,151	122,334	123,961	125,337
Commercial	137,080	141,351	141,869	142,564
Street Lights	3,263	3,374	3,445	3,522
Sentinel Lights	644	639	638	631
Total Primary Sales	263,137	267,698	269,913	272,054
Secondary Sales	21,555	23,566	16,853	6,954
Wholesale Sales	513	488	489	489
Total Sales	285,206	291,752	287,255	279,497



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1 Yukon Electrical's detailed energy sales forecast for 2008 and 2009 by customer class
2 along with the corresponding actuals for 2006 and 2007 are provided in Schedule 2.1.

3 Forecast Process

4 The forecast process involves the review of historic sales data by customer class and
5 takes into account the most recent information available at the time the forecast is
6 prepared. The information is obtained through Yukon Electrical's work in the community
7 as well as consultation with the City of Whitehorse, Yukon Government officials and
8 local developers. The secondary sales forecast mainly comes from Yukon Energy as
9 Yukon Energy is responsible for determining the forecast availability of surplus hydro.

10 The sales forecast is prepared by customer class: residential, commercial, street and
11 sentinel lighting, secondary and wholesale (sales to Yukon Energy).

12 The residential sales forecast has two key inputs; the net customer additions and the
13 average use per customer (UPC). The energy sales forecast is obtained by multiplying
14 the forecast number of customers by the average UPC forecast.

15 The customer additions forecast includes all known residential property developments
16 and is based on discussions with the aforementioned third parties.

17 The average UPC for the test period was determined by taking a three year average of
18 monthly UPC, by community. UPC was normalized for Whitehorse and Watson Lake
19 area communities using a "Normal" temperature which is defined as a 20 year (1988-
20 2007) average Heating Degree Days (HDD) for Whitehorse and a 12 year (1996-2007)
21 average for Watson Lake. As Environment Canada had multiple missing data points for
22 Watson Lake prior to 1996, the use of a 20 year average was not possible. The
23 normalization calculations are provided in Attachments 1 to 28.



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1 For existing commercial customers, except as noted in the Whitehorse area, the
2 forecast UPC was determined by taking a three year average of monthly UPC by
3 community. This was determined to be a reasonable method to capture any
4 fluctuations in the historical UPC. For Whitehorse, the forecast was based on the 2007
5 weather normalized and adjusted UPC. Weather normalization was used in Whitehorse
6 as there was a higher coefficient of determination in the regression ($R^2 = 0.656$) vs. that
7 of the smaller communities which ranged from 0.0002 to 0.589 or 0.307 on average.
8 Use of 2007 captures the impact of the larger commercial customers who have come
9 online in 2005, 2006 and 2007. The Whitehorse 2007 UPC was adjusted to remove
10 load specifically attributable to the Canada Winter Games as it was related to a one
11 time event. The normalization calculations are provided in Attachments 28 to 30. The
12 Whitehorse commercial customer additions were determined through information
13 collected from customers, the City of Whitehorse, the Yukon Government and local
14 developers. Each new commercial customer is considered individually to determine the
15 load they will bring to the system. The additional load for these new customers is then
16 added to the base energy sales forecast to arrive at the total load for the commercial
17 customer class.

18 The energy forecast for street and sentinel lighting is based on a three year historic
19 average of lights energy growth. The forecast also considers projects identified for the
20 coming years.

21 As previously noted, the secondary sales forecast comes from Yukon Energy based on
22 its forecast of surplus hydro.



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1 Current Forecast

2 (i) Residential

3 Energy sales to residential customers are expected to rise 1.3% in 2008 and
4 1.1% in 2009. The growth is driven by customer additions as residential usage
5 per customer is forecast to increase minimally. Yukon Electrical's customer count
6 grew by 1.8% in 2006 and 2.1% in 2007 and is forecast to continue in this range
7 with an increase of 1.9% and 1.1% in 2008 and 2009 respectively.

8 (ii) Commercial

9 Increased sales to the commercial class are due primarily to new commercial
10 customers. Customer additions are forecast to increase by 1.1% in both 2008
11 and 2009. Most of these new commercial customers are anticipated to be
12 running at or below the average use per customer keeping the growth in energy
13 sales to a modest 0.4% in 2008 and 0.5% in 2009.

14 (iii) Lighting

15 Lighting sales are forecast to increase by 1.7% in both 2008 and 2009. This is
16 based on the average increase from 2005 to 2007 and includes an additional 60
17 new 250w HPS street lights at the end of 2008 for a new roadway in the
18 Whitehorse area.

19 (iv) Wholesale Sales (Sales to Yukon Energy)

20 Wholesale sales are forecast to increase by 0.2% in 2008 and remain flat for
21 2009. A three year (2005-2007) average of consumption was used to generate
22 the forecast for both 2008 and 2009.



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(v) Secondary Sales

Secondary sales are forecast to decrease by 28.5% in 2008 and 58.7% in 2009. The reduction in secondary sales is primarily due to reduced availability of surplus hydro as a result of Yukon Energy sales to the Minto Mine. As previously discussed, Yukon Electrical depends on Yukon Energy for purposes of this forecast.

Revenues

The January 2008 tariff is applied to the sales data which results in the forecast revenue. Table 2 provides Yukon Electrical's total revenue for 2006, 2007 (actuals) and the 2008 to 2009 forecast. Revenues increased by 2.7% in 2007 primarily due to increased commercial sales. The detailed information on revenues is provided in Schedule 2.1.

Table 2
Yukon Electrical Revenue
(\$000s)

	2006	2007	2008	2009
	Actuals		Test Period	
Total	39,115	40,177	45,850	47,075

Yukon Energy Revenue Shortfall (Rider J)

The Yukon Energy Shortfall Rider (Rider J) has been in existence since 1998. 100% of what is collected by Yukon Electrical from this rider is flowed through to Yukon Energy in the form of higher purchased power costs. The current rate of 14.93% of base primary retail rates, approved in Board Order 2003-2, has been used for purposes of the 2008 and 2009 test period.



1 Other Revenues

2 Yukon Electrical's other revenues have been included with retail sales revenues as part
3 of the revenue requirement. These amounts are detailed in Schedule 2.2.

4 The Reconnect, Services to Outside Parties and Other revenues are forecast to be flat
5 based on the recent averages and no changes to the rates being charged. The
6 increase to forecast Joint Use revenues is based on recent historic average increases.

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Summary of Customers, Energy Sales and Revenue

Schedule 2.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period		Test Period	
					2008 Existing	2008 Proposed	2009 Existing	2009 Proposed
1	Residential							
2	Customers (average during year)		12,196	12,452	12,693		12,836	
3	Sales in MWh		122,151	122,334	123,961		125,337	
4	MWh sales per customer		10.0	9.8	9.8		9.8	
5	Revenue (\$000s)		14,001	14,088	14,279		14,435	
6	Cents per KWh		11.46	11.52	11.52		11.52	
7	Commercial							
8	Customers (average during year)		2,515	2,570	2,599		2,629	
9	Sales in MWh		137,080	141,351	141,869		142,564	
10	MWh sales per customer		54.5	55.0	54.6		54.2	
11	Revenue (\$000s)		17,999	18,729	18,549		18,641	
12	Cents per KWh		13.13	13.25	13.07		13.08	
13	Street lights							
14	Sales in MWh		3,263	3,374	3,445		3,522	
15	Revenue (\$000s)		679	703	716		729	
16	Cents per KWh		20.81	20.83	20.78		20.70	
17	Sentinel lights							
18	Sales in MWh		644	639	638		631	
19	Revenue (\$000s)		135	134	134		132	
20	Cents per KWh		20.95	20.96	20.95		20.95	
21	Total Company - Retail - Primary							
22	Customers		14,711	15,022	15,293		15,465	
23	Sales in MWh		263,137	267,698	269,913		272,054	
24	Revenue (\$000s)		32,814	33,654	33,677		33,937	
25	Cents/KWh		12.47	12.57	12.48		12.47	
26	Secondary Sales							
27	Customers (average during year)		22	22	22		23	
28	Sales in MWh		21,555	23,566	16,853		6,954	
29	MWh sales per customer		979.8	1,071.2	754.6		302.4	
30	Revenue (\$000s)		1,367	1,453	1,213		501	
31	Cents per KWh		6.34	6.17	7.20		7.20	
32	Wholesale Sales							
33	Customers (average during year)		2	2	2		2	
34	Sales in MWh		513	488	489		489	
35	MWh sales per customer		256.5	244.0	244.4		244.4	
36	Revenue (\$000s)		52	53	52		52	
37	Cents per KWh		10.14	10.86	10.60		10.60	
38	Total Company							
39	Customers		14,735	15,046	15,317		15,490	
40	Sales in MWh	S.3.2 L.2	285,205	291,752	287,255		279,497	
41	Revenue (\$000s)		34,233	35,160	34,942		34,490	
42	Cents/KWh		12.00	12.05	12.16		12.34	
43	Retail Revenues		34,233	35,160	34,942		34,490	
44	YEC Revenue Shortfall (Rider J)		4,882	5,017	5,028		5,067	
45	TOTAL REVENUES	S.1.1 L.2	39,115	40,177	39,970	45,850	39,557	47,075
46	Rate Increase from Existing Rates					5,881		7,518
47	Less: Impact of higher fuel costs recovered through Rider F					(3,661)		(3,388)
48	Net Rate Increase (\$000s)	L.46 - L.47				2,220		4,130
49	% Rate Increase over Existing Rates							
50	YECL Primary Retail Revenue	L.24			33,677		33,937	
51	YEC Primary Retail Revenue	S11.2 L.14, L.27			3,795		3,750	
52	Total YEC/YECL Retail Revenue Primary Rates (\$000)	L.50 + L.51			37,471		37,687	
53	% Rate increase over existing Rates	L.48 / L.52				5.9%		11.0%

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Miscellaneous Revenue**

Schedule 2.2

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Reconnect Revenue		83	75	80	80
2	Joint Use		426	447	464	480
3	Services to Outside Parties		102	99	100	100
4	Other		149	163	166	167
5						
6	Total	S.1.1 L.3	760	784	810	827

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Whitehorse				3-Yr Average				Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal			
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)			
Jan-94	1,463	1,085	1,469		1994	11,922	11,842	-		
Feb-94	1,278	1,125	1,120		1995	11,558	11,582	-		
Mar-94	1,380	654	1,448		1996	12,177	11,496	-		
Apr-94	1,063	431	1,097		1997	11,113	11,305	11,461		
May-94	849	321	850		1998	10,450	10,496	11,099		
Jun-94	762	166	758		1999	10,713	10,686	10,829		
Jul-94	677	84	693		2000	10,292	10,366	10,516		
Aug-94	610	70	663		2001	10,207	10,270	10,441		
Sep-94	702	335	693		2002	10,247	10,377	10,338		
Oct-94	856	507	881		2003	10,325	10,367	10,338		
Nov-94	1,031	936	967		2004	10,307	10,517	10,421		
Dec-94	1,250	1,029	1,204		2005	10,313	10,585	10,490		
Jan-95	1,477	1,020	1,520		2006	10,733	10,515	10,539		
Feb-95	1,133	840	1,137		2007	10,551	10,472	10,524		
Mar-95	1,242	880	1,182							
Apr-95	1,015	440	1,043							
May-95	875	251	916							
Jun-95	741	139	753							
Jul-95	659	97	668							
Aug-95	627	198	606							
Sep-95	725	227	778							
Oct-95	795	525	809							
Nov-95	1,006	894	965							
Dec-95	1,262	1,049	1,205							
Jan-96	1,478	1,556	1,216							
Feb-96	1,581	836	1,587							
Mar-96	1,221	806	1,203							
Apr-96	1,029	526	1,008							
May-96	877	357	858							
Jun-96	760	194	740							
Jul-96	677	125	670							
Aug-96	643	227	606							
Sep-96	741	363	717							
Oct-96	856	680	782							
Nov-96	1,092	975	1,005							
Dec-96	1,222	1,156	1,104							
Jan-97	1,635	1,186	1,584	1439.89						
Feb-97	1,197	657	1,305	1343.11						
Mar-97	1,063	855	1,016	1133.74						
Apr-97	998	484	1,001	1017.71						
May-97	835	331	830	868.11						
Jun-97	747	149	753	748.54						
Jul-97	643	93	654	663.88						
Aug-97	613	130	631	614.46						
Sep-97	679	282	700	731.59						
Oct-97	801	641	749	780.17						
Nov-97	947	694	1,020	996.75						
Dec-97	956	762	1,061	1123.26						
Jan-98	1,336	1,166	1,296	1365.40						
Feb-98	1,074	719	1,146	1346.24						
Mar-98	1,030	757	1,039	1086.21						
Apr-98	904	459	922	977.21						
May-98	789	271	819	835.56						
Jun-98	698	120	720	737.70						
Jul-98	629	112	629	651.01						
Aug-98	605	189	590	608.90						
Sep-98	707	328	703	706.64						
Oct-98	782	558	777	769.58						
Nov-98	924	792	941	988.77						
Dec-98	972	1,052	913	1025.91						

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Whitehorse	3-Yr Average				Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	1,385	1,183	1,335	1405.18			
Feb-99	1,166	976	1,093	1181.51			
Mar-99	1,043	734	1,065	1040.38			
Apr-99	946	509	935	952.79			
May-99	813	392	774	807.68			
Jun-99	756	154	759	744.14			
Jul-99	648	109	650	644.29			
Aug-99	612	146	621	614.02			
Sep-99	699	311	704	702.21			
Oct-99	765	500	794	773.38			
Nov-99	883	793	900	953.85			
Dec-99	996	844	1,055	1009.57			
Jan-00	1,267	1,083	1,274	1301.86			
Feb-00	1,037	735	1,101	1113.53			
Mar-00	920	659	985	1030.07			
Apr-00	856	516	841	899.28			
May-00	848	382	815	802.55			
Jun-00	733	173	726	735.10			
Jul-00	657	142	641	639.80			
Aug-00	621	220	588	599.66			
Sep-00	735	354	716	707.41			
Oct-00	788	539	795	788.49			
Nov-00	886	691	961	934.12			
Dec-00	942	978	925	964.13			
Jan-01	1,187	723	1,399	1336.02			
Feb-01	940	864	930	1041.51			
Mar-01	989	765	994	1015.03			
Apr-01	869	507	859	878.44			
May-01	818	390	779	789.36			
Jun-01	765	167	760	748.41			
Jul-01	658	140	643	644.42			
Aug-01	600	140	612	607.21			
Sep-01	662	309	668	695.84			
Oct-01	756	573	742	776.82			
Nov-01	906	818	908	923.13			
Dec-01	1,058	1,095	974	984.55			
Jan-02	1,224	936	1,315	1329.21			
Feb-02	1,015	825	1,028	1019.68			
Mar-02	999	921	916	965.14			
Apr-02	992	653	898	866.25			
May-02	800	362	778	790.61			
Jun-02	708	176	699	728.32			
Jul-02	644	131	633	638.90			
Aug-02	649	183	637	612.66			
Sep-02	682	314	685	689.58			
Oct-02	760	444	820	785.44			
Nov-02	875	583	1,011	959.94			
Dec-02	900	845	958	952.22			
Jan-03	1,204	989	1,264	1325.90			
Feb-03	996	757	1,048	1001.95			
Mar-03	987	835	952	954.16			
Apr-03	894	514	880	879.22			
May-03	792	364	768	775.16			
Jun-03	751	193	732	730.36			
Jul-03	659	84	675	650.26			
Aug-03	618	181	608	619.08			
Sep-03	711	359	688	680.40			
Oct-03	728	467	775	779.05			
Nov-03	912	875	882	933.88			
Dec-03	1,074	912	1,095	1008.84			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Whitehorse		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	1,248	1,255	1,157	1245.39			
Feb-04	1,094	695	1,180	1085.15			
Mar-04	925	756	935	934.48			
Apr-04	950	467	963	913.83			
May-04	753	273	781	775.92			
Jun-04	712	84	755	728.73			
Jul-04	668	74	690	666.01			
Aug-04	608	102	642	629.12			
Sep-04	670	368	643	672.13			
Oct-04	763	541	768	787.65			
Nov-04	899	720	958	950.25			
Dec-04	1,016	900	1,043	1031.91			
Jan-05	1,279	1,165	1,239	1220.23			
Feb-05	1,108	795	1,138	1121.95			
Mar-05	924	614	1,015	967.42			
Apr-05	907	453	928	923.54			
May-05	736	257	774	774.49			
Jun-05	706	154	709	732.02			
Jul-05	661	133	650	671.49			
Aug-05	623	151	629	626.27			
Sep-05	743	299	755	695.49			
Oct-05	735	535	744	762.32			
Nov-05	923	774	950	930.09			
Dec-05	969	794	1,056	1064.58			
Jan-06	1,198	1,096	1,198	1198.11			
Feb-06	1,045	821	1,060	1126.00			
Mar-06	1,074	906	999	982.96			
Apr-06	935	519	919	936.44			
May-06	803	347	789	781.44			
Jun-06	728	173	720	728.07			
Jul-06	705	118	702	680.63			
Aug-06	636	202	614	628.36			
Sep-06	738	296	751	716.54			
Oct-06	797	521	814	775.06			
Nov-06	940	1,162	747	885.07			
Dec-06	1,132	824	1,202	1100.27			
Jan-07	1,247	912	1,352	1262.91			
Feb-07	1,052	999	966	1054.74			
Mar-07	1,141	954	1,038	1017.23			
Apr-07	986	512	974	939.91			
May-07	736	322	737	766.51			
Jun-07	721	141	731	720.09			
Jul-07	704	102	709	687.01			
Aug-07	598	154	603	615.12			
Sep-07	690	308	696	734.20			
Oct-07	756	544	759	772.15			
Nov-07	924	725	980	892.45			
Dec-07	996	1,070	927	1061.45			

Yukon Electrical Company Limited
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WHITEHORSE RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.86433212
R Square	0.74707001
Adjusted R Square	0.74554633
Standard Error	112.772517
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	6235562.056	6235562.06	490.308088	2.00774E-51
Residual	166	2111128.342	12717.6406		
Total	167	8346690.399			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	585.389349	16.59380952	35.2775744	4.8854E-79	552.6272333	618.151465	552.627233	618.151465
MHDD	0.56836559	0.025668072	22.1429015	2.0077E-51	0.517687637	0.61904355	0.51768764	0.61904355

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Carmacks		3-Yr Average			Annual	Annual	Annual 3-Yr	
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal	
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	
Jan-94	1,443	1,085	1,449		1994	10,440	10,357	-
Feb-94	1,105	1,125	941		1995	9,954	9,979	-
Mar-94	1,083	654	1,155		1996	10,717	10,005	-
Apr-94	901	431	936		1997	10,595	10,796	10,260
May-94	714	321	716		1998	9,944	9,993	10,265
Jun-94	611	166	607		1999	10,301	10,273	10,354
Jul-94	646	84	663		2000	10,373	10,450	10,238
Aug-94	599	70	653		2001	9,634	9,700	10,141
Sep-94	757	335	748		2002	10,153	10,290	10,146
Oct-94	698	507	724		2003	10,103	10,147	10,045
Nov-94	905	936	837		2004	9,799	10,019	10,152
Dec-94	977	1,029	929		2005	10,208	10,492	10,219
Jan-95	1,365	1,020	1,409		2006	10,599	10,371	10,294
Feb-95	936	840	940		2007	10,731	10,648	10,504
Mar-95	960	880	897					
Apr-95	885	440	915					
May-95	650	251	693					
Jun-95	515	139	527					
Jul-95	592	97	601					
Aug-95	571	198	549					
Sep-95	687	227	743					
Oct-95	715	525	729					
Nov-95	906	894	864					
Dec-95	1,173	1,049	1,113					
Jan-96	1,477	1,556	1,204					
Feb-96	1,333	836	1,340					
Mar-96	927	806	908					
Apr-96	798	526	776					
May-96	693	357	672					
Jun-96	702	194	682					
Jul-96	577	125	570					
Aug-96	651	227	612					
Sep-96	658	363	632					
Oct-96	797	680	719					
Nov-96	1,149	975	1,059					
Dec-96	956	1,156	832					
Jan-97	1,644	1,186	1,591	1401.17				
Feb-97	1,182	657	1,296	1191.95				
Mar-97	874	855	826	876.96				
Apr-97	840	484	843	844.79				
May-97	849	331	844	736.24				
Jun-97	604	149	610	606.31				
Jul-97	618	93	629	599.96				
Aug-97	670	130	689	616.68				
Sep-97	663	282	685	686.70				
Oct-97	783	641	729	725.93				
Nov-97	953	694	1,029	983.84				
Dec-97	914	762	1,024	989.60				
Jan-98	1,347	1,166	1,306	1366.64				
Feb-98	915	719	991	1208.83				
Mar-98	851	757	861	865.13				
Apr-98	789	459	807	809.00				
May-98	794	271	825	780.35				
Jun-98	547	120	571	620.83				
Jul-98	607	112	608	602.18				
Aug-98	705	189	689	663.32				
Sep-98	668	328	663	660.10				
Oct-98	892	558	887	778.44				
Nov-98	848	792	866	984.55				
Dec-98	981	1,052	919	925.18				

Carmacks			3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	1,435	1,183	1,383	1426.45			
Feb-99	997	976	921	1069.08			
Mar-99	878	734	902	863.06			
Apr-99	933	509	922	857.52			
May-99	735	392	694	787.71			
Jun-99	593	154	596	592.17			
Jul-99	714	109	717	651.15			
Aug-99	571	146	580	652.83			
Sep-99	734	311	739	695.62			
Oct-99	849	500	878	831.43			
Nov-99	919	793	937	943.85			
Dec-99	944	844	1,005	982.93			
Jan-00	1,393	1,083	1,401	1363.09			
Feb-00	908	735	974	961.90			
Mar-00	833	659	901	888.19			
Apr-00	818	516	803	843.92			
May-00	808	382	773	763.95			
Jun-00	726	173	718	628.28			
Jul-00	616	142	598	640.69			
Aug-00	625	220	591	620.04			
Sep-00	855	354	835	745.41			
Oct-00	809	539	815	860.13			
Nov-00	887	691	965	922.45			
Dec-00	1,095	978	1,077	1000.36			
Jan-01	976	723	1,197	1326.94			
Feb-01	930	864	920	938.32			
Mar-01	1,078	765	1,083	962.08			
Apr-01	775	507	765	829.69			
May-01	690	390	650	705.63			
Jun-01	698	167	693	668.97			
Jul-01	567	140	551	621.69			
Aug-01	566	140	580	583.59			
Sep-01	744	309	750	774.57			
Oct-01	726	573	712	801.85			
Nov-01	999	818	1,001	967.62			
Dec-01	885	1,095	798	959.86			
Jan-02	1,219	936	1,313	1303.78			
Feb-02	1,166	825	1,180	1024.77			
Mar-02	942	921	855	946.31			
Apr-02	853	653	756	774.32			
May-02	812	362	789	737.11			
Jun-02	552	176	543	651.17			
Jul-02	580	131	569	572.52			
Aug-02	712	183	700	623.41			
Sep-02	638	314	641	742.12			
Oct-02	896	444	959	828.65			
Nov-02	783	583	926	964.06			
Dec-02	999	845	1,060	978.13			
Jan-03	1,067	989	1,130	1213.57			
Feb-03	944	757	998	1032.78			
Mar-03	886	835	850	929.35			
Apr-03	897	514	882	800.70			
May-03	751	364	727	721.88			
Jun-03	556	193	536	590.39			
Jul-03	679	84	695	604.90			
Aug-03	595	181	584	621.20			
Sep-03	715	359	691	694.28			
Oct-03	850	467	899	856.69			
Nov-03	924	875	893	940.00			
Dec-03	1,240	912	1,261	1039.49			

Carmacks		3-Yr Average		
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)
Jan-04	1,229	1,255	1,135	1192.81
Feb-04	943	695	1,033	1070.34
Mar-04	928	756	939	881.26
Apr-04	949	467	963	866.65
May-04	639	273	668	727.96
Jun-04	552	84	597	558.52
Jul-04	656	74	678	647.47
Aug-04	501	102	537	606.96
Sep-04	788	368	760	697.48
Oct-04	803	541	809	888.95
Nov-04	861	720	922	913.49
Dec-04	950	900	979	1099.73
Jan-05	1,479	1,165	1,438	1234.30
Feb-05	1,034	795	1,065	1032.05
Mar-05	842	614	937	908.72
Apr-05	955	453	977	940.34
May-05	666	257	705	700.05
Jun-05	684	154	687	606.77
Jul-05	550	133	538	637.25
Aug-05	593	151	599	573.56
Sep-05	761	299	773	741.35
Oct-05	775	535	784	830.71
Nov-05	950	774	978	931.02
Dec-05	919	794	1,010	1083.10
Jan-06	1,402	1,096	1,402	1324.83
Feb-06	980	821	996	1031.20
Mar-06	1,263	906	1,184	1020.00
Apr-06	805	519	787	908.90
May-06	689	347	674	682.52
Jun-06	698	173	689	657.97
Jul-06	641	118	637	617.88
Aug-06	515	202	491	542.66
Sep-06	742	296	757	763.16
Oct-06	750	521	767	786.67
Nov-06	1,006	1,162	805	901.65
Dec-06	1,108	824	1,181	1056.53
Jan-07	1,554	912	1,663	1500.85
Feb-07	1,055	999	965	1008.58
Mar-07	1,221	954	1,114	1078.46
Apr-07	858	512	845	869.64
May-07	657	322	657	678.80
Jun-07	728	141	740	705.48
Jul-07	590	102	596	590.53
Aug-07	648	154	652	581.07
Sep-07	655	308	662	730.38
Oct-07	763	544	766	772.53
Nov-07	1,083	725	1,141	974.86
Dec-07	919	1,070	846	1012.48

Annual	Annual	Annual 3-Yr
Actual	Normalized	Avg Mthly Normal
UPC (kWh)	UPC (kWh)	UPC (kWh)

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

CARMACKS RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.8679877
R Square	0.75340265
Adjusted R Square	0.75191712
Standard Error	115.889076
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	6811328.373	6811328.37	507.162129	2.43733E-52
Residual	166	2229426.144	13430.278		
Total	167	9040754.517			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	527.466406	17.05239277	30.9321052	8.3091E-71	493.798883	561.13393	493.798883	561.13393
MHDD	0.59402659	0.02637743	22.5202604	2.4373E-52	0.541948108	0.64610507	0.54194811	0.64610507

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Carcross		3-Yr Average			Annual	Annual	Annual 3-Yr	
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal		Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)		UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	790	1,085	793		1994	7,074	7,031	-
Feb-94	730	1,125	644		1995	7,336	7,350	-
Mar-94	818	654	855		1996	8,180	7,808	-
Apr-94	673	431	692		1997	7,477	7,582	7,580
May-94	473	321	474		1998	6,922	6,947	7,446
Jun-94	471	166	469		1999	7,170	7,155	7,228
Jul-94	475	84	483		2000	6,360	6,401	6,834
Aug-94	394	70	422		2001	6,264	6,299	6,618
Sep-94	430	335	425		2002	6,695	6,766	6,488
Oct-94	560	507	573		2003	6,671	6,694	6,586
Nov-94	508	936	473		2004	6,675	6,789	6,750
Dec-94	752	1,029	727		2005	6,862	7,010	6,831
Jan-95	1,001	1,020	1,025		2006	7,334	7,215	7,005
Feb-95	807	840	809		2007	7,031	6,988	7,071
Mar-95	750	880	717					
Apr-95	642	440	657					
May-95	614	251	636					
Jun-95	476	139	482					
Jul-95	478	97	483					
Aug-95	409	198	398					
Sep-95	458	227	487					
Oct-95	526	525	534					
Nov-95	541	894	519					
Dec-95	635	1,049	604					
Jan-96	957	1,556	813					
Feb-96	1,084	836	1,088					
Mar-96	853	806	843					
Apr-96	677	526	666					
May-96	660	357	649					
Jun-96	549	194	538					
Jul-96	473	125	469					
Aug-96	444	227	424					
Sep-96	549	363	535					
Oct-96	534	680	494					
Nov-96	659	975	612					
Dec-96	741	1,156	676					
Jan-97	1,044	1,186	1,016	951.21				
Feb-97	801	657	861	919.27				
Mar-97	696	855	671	743.57				
Apr-97	694	484	696	673.06				
May-97	564	331	561	615.41				
Jun-97	554	149	557	525.88				
Jul-97	473	93	479	476.90				
Aug-97	429	130	438	420.26				
Sep-97	454	282	465	495.94				
Oct-97	472	641	444	490.27				
Nov-97	669	694	709	613.35				
Dec-97	627	762	685	654.76				
Jan-98	795	1,166	774	867.52				
Feb-98	785	719	825	924.44				
Mar-98	698	757	704	739.31				
Apr-98	607	459	617	659.59				
May-98	583	271	599	603.14				
Jun-98	473	120	485	526.91				
Jul-98	428	112	428	458.84				
Aug-98	437	189	428	430.23				
Sep-98	460	328	457	486.00				
Oct-98	499	558	497	477.96				
Nov-98	571	792	581	634.00				
Dec-98	585	1,052	553	637.73				

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Carcross		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	838	1,183	811	866.73			
Feb-99	728	976	688	791.00			
Mar-99	693	734	705	693.22			
Apr-99	607	509	601	637.95			
May-99	609	392	588	582.81			
Jun-99	501	154	503	515.04			
Jul-99	489	109	490	465.89			
Aug-99	412	146	417	427.96			
Sep-99	435	311	437	453.29			
Oct-99	541	500	556	498.75			
Nov-99	527	793	536	608.63			
Dec-99	791	844	823	686.69			
Jan-00	558	1,083	562	715.45			
Feb-00	695	735	730	747.55			
Mar-00	577	659	612	673.79			
Apr-00	588	516	580	599.13			
May-00	526	382	507	564.77			
Jun-00	488	173	484	490.65			
Jul-00	448	142	439	452.40			
Aug-00	391	220	373	406.14			
Sep-00	500	354	489	461.36			
Oct-00	455	539	458	503.69			
Nov-00	503	691	544	553.49			
Dec-00	631	978	621	665.61			
Jan-01	636	723	751	708.07			
Feb-01	556	864	551	656.25			
Mar-01	674	765	677	664.81			
Apr-01	532	507	526	568.94			
May-01	511	390	490	528.43			
Jun-01	506	167	503	496.69			
Jul-01	412	140	404	444.19			
Aug-01	428	140	435	408.38			
Sep-01	410	309	413	446.59			
Oct-01	448	573	441	484.99			
Nov-01	540	818	541	540.36			
Dec-01	612	1,095	566	670.24			
Jan-02	818	936	867	726.75			
Feb-02	636	825	643	641.34			
Mar-02	642	921	597	628.63			
Apr-02	651	653	600	568.73			
May-02	568	362	556	517.86			
Jun-02	462	176	457	481.56			
Jul-02	434	131	428	423.53			
Aug-02	446	183	439	415.66			
Sep-02	446	314	447	450.01			
Oct-02	474	444	506	468.44			
Nov-02	567	583	641	575.38			
Dec-02	552	845	584	590.55			
Jan-03	744	989	777	798.57			
Feb-03	625	757	653	615.72			
Mar-03	609	835	590	621.33			
Apr-03	612	514	604	576.99			
May-03	560	364	547	531.19			
Jun-03	482	193	472	477.40			
Jul-03	473	84	481	437.67			
Aug-03	422	181	416	430.03			
Sep-03	460	359	448	436.02			
Oct-03	437	467	463	470.05			
Nov-03	584	875	568	583.39			
Dec-03	662	912	674	607.91			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Carcross		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	795	1,255	746	796.65			
Feb-04	716	695	764	686.63			
Mar-04	593	756	598	595.13			
Apr-04	590	467	597	600.50			
May-04	569	273	585	562.74			
Jun-04	439	84	462	463.83			
Jul-04	486	74	498	469.04			
Aug-04	395	102	414	423.01			
Sep-04	394	368	379	424.79			
Oct-04	488	541	491	486.95			
Nov-04	571	720	603	603.88			
Dec-04	638	900	653	636.67			
Jan-05	860	1,165	838	787.05			
Feb-05	760	795	777	731.17			
Mar-05	642	614	692	626.90			
Apr-05	604	453	615	605.57			
May-05	506	257	527	552.91			
Jun-05	433	154	434	456.09			
Jul-05	451	133	445	474.64			
Aug-05	398	151	402	410.54			
Sep-05	470	299	476	434.30			
Oct-05	524	535	529	494.49			
Nov-05	558	774	573	581.09			
Dec-05	655	794	703	676.34			
Jan-06	842	1,096	841	808.48			
Feb-06	737	821	745	761.80			
Mar-06	649	906	608	632.88			
Apr-06	691	519	682	631.49			
May-06	518	347	510	540.59			
Jun-06	591	173	587	494.42			
Jul-06	443	118	441	461.14			
Aug-06	462	202	450	421.83			
Sep-06	480	296	488	447.71			
Oct-06	497	521	506	508.71			
Nov-06	612	1,162	507	560.75			
Dec-06	811	824	850	735.00			
Jan-07	831	912	887	855.76			
Feb-07	810	999	763	761.76			
Mar-07	792	954	736	678.71			
Apr-07	732	512	725	674.24			
May-07	555	322	555	530.73			
Jun-07	529	141	534	518.38			
Jul-07	459	102	462	449.11			
Aug-07	465	154	467	439.68			
Sep-07	451	308	455	472.77			
Oct-07	499	544	501	512.11			
Nov-07	229	725	259	446.34			
Dec-07	680	1,070	642	731.33			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

CARCROSS RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.74068913
R Square	0.54862039
Adjusted R Square	0.54590124
Standard Error	95.9687139
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1858221.381	1858221.38	201.76141	1.7639E-30
Residual	166	1528859.01	9209.99404		
Total	167	3387080.391			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	412.835263	14.12122916	29.2350799	2.2912E-67	384.9549047	440.71562	384.954905	440.71562
MHDD	0.31026923	0.02184337	14.2042743	1.7639E-30	0.2671426	0.35339585	0.2671426	0.35339585

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Haines Junction				3-Yr Average	Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	948	1,085	951		1994	8,489	8,445
Feb-94	747	1,125	661		1995	8,699	8,712
Mar-94	860	654	897		1996	8,856	8,481
Apr-94	764	431	783		1997	8,504	8,610
May-94	620	321	620		1998	8,105	8,130
Jun-94	595	166	592		1999	8,425	8,410
Jul-94	565	84	574		2000	8,142	8,183
Aug-94	527	70	555		2001	8,233	8,268
Sep-94	630	335	626		2002	8,229	8,301
Oct-94	642	507	655		2003	7,738	7,761
Nov-94	686	936	651		2004	7,632	7,747
Dec-94	905	1,029	879		2005	7,738	7,888
Jan-95	1,035	1,020	1,059		2006	7,862	7,742
Feb-95	814	840	817		2007	8,133	8,089
Mar-95	860	880	827				7,906
Apr-95	675	440	691				
May-95	720	251	742				
Jun-95	614	139	620				
Jul-95	598	97	603				
Aug-95	547	198	535				
Sep-95	650	227	680				
Oct-95	647	525	655				
Nov-95	691	894	668				
Dec-95	847	1,049	816				
Jan-96	1,042	1,556	897				
Feb-96	1,012	836	1,015				
Mar-96	786	806	776				
Apr-96	734	526	723				
May-96	644	357	633				
Jun-96	606	194	595				
Jul-96	553	125	549				
Aug-96	572	227	551				
Sep-96	605	363	592				
Oct-96	627	680	587				
Nov-96	795	975	747				
Dec-96	881	1,156	816				
Jan-97	1,151	1,186	1,122	1026.26			
Feb-97	813	657	873	901.58			
Mar-97	721	855	696	766.26			
Apr-97	721	484	723	712.08			
May-97	659	331	657	677.41			
Jun-97	621	149	624	613.45			
Jul-97	571	93	577	576.14			
Aug-97	549	130	559	548.55			
Sep-97	599	282	610	627.20			
Oct-97	598	641	569	603.56			
Nov-97	758	694	798	737.90			
Dec-97	743	762	801	810.84			
Jan-98	984	1,166	962	993.89			
Feb-98	757	719	798	895.21			
Mar-98	737	757	742	737.92			
Apr-98	667	459	677	707.48			
May-98	641	271	657	649.09			
Jun-98	571	120	583	601.06			
Jul-98	589	112	589	571.72			
Aug-98	505	189	497	535.78			
Sep-98	599	328	597	599.61			
Oct-98	659	558	657	604.16			
Nov-98	689	792	698	747.85			
Dec-98	706	1,052	673	763.34			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Haines Junction		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	1,022	1,183	995	1026.40			
Feb-99	837	976	797	822.28			
Mar-99	759	734	771	736.40			
Apr-99	734	509	728	709.32			
May-99	605	392	584	632.50			
Jun-99	616	154	618	608.49			
Jul-99	589	109	591	585.66			
Aug-99	539	146	544	533.31			
Sep-99	589	311	592	599.59			
Oct-99	651	500	666	630.76			
Nov-99	712	793	721	739.24			
Dec-99	771	844	804	759.29			
Jan-00	919	1,083	923	959.97			
Feb-00	768	735	803	798.98			
Mar-00	696	659	732	748.40			
Apr-00	654	516	645	683.60			
May-00	647	382	629	623.12			
Jun-00	634	173	630	610.27			
Jul-00	589	142	580	586.59			
Aug-00	566	220	547	529.33			
Sep-00	625	354	614	600.89			
Oct-00	645	539	649	657.27			
Nov-00	695	691	736	718.36			
Dec-00	705	978	695	724.00			
Jan-01	948	723	1,064	994.10			
Feb-01	741	864	735	778.25			
Mar-01	687	765	690	731.03			
Apr-01	632	507	626	666.71			
May-01	668	390	646	619.53			
Jun-01	650	167	648	631.79			
Jul-01	568	140	559	576.60			
Aug-01	570	140	577	556.15			
Sep-01	569	309	573	592.85			
Oct-01	633	573	625	646.83			
Nov-01	719	818	721	725.91			
Dec-01	848	1,095	802	767.09			
Jan-02	966	936	1,016	1000.99			
Feb-02	752	825	759	765.86			
Mar-02	737	921	692	704.48			
Apr-02	772	653	720	664.05			
May-02	629	362	617	630.63			
Jun-02	600	176	595	624.14			
Jul-02	567	131	561	566.91			
Aug-02	566	183	560	561.52			
Sep-02	600	314	601	596.10			
Oct-02	639	444	672	648.54			
Nov-02	776	583	851	769.16			
Dec-02	625	845	657	718.15			
Jan-03	925	989	958	1012.66			
Feb-03	708	757	737	743.84			
Mar-03	661	835	642	674.59			
Apr-03	649	514	642	662.80			
May-03	596	364	583	615.35			
Jun-03	586	193	575	606.03			
Jul-03	545	84	554	558.24			
Aug-03	515	181	509	548.67			
Sep-03	565	359	553	575.58			
Oct-03	547	467	573	623.15			
Nov-03	668	875	652	741.30			
Dec-03	773	912	784	747.63			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Haines Junction		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	873	1,255	823	932.29			
Feb-04	767	695	815	770.31			
Mar-04	635	756	641	658.22			
Apr-04	672	467	679	680.41			
May-04	551	273	566	588.61			
Jun-04	506	84	530	566.68			
Jul-04	582	74	594	569.74			
Aug-04	490	102	508	525.70			
Sep-04	574	368	559	570.94			
Oct-04	567	541	570	604.77			
Nov-04	650	720	682	728.24			
Dec-04	765	900	780	740.25			
Jan-05	866	1,165	844	875.05			
Feb-05	799	795	815	788.99			
Mar-05	620	614	670	650.91			
Apr-05	687	453	698	672.86			
May-05	568	257	589	579.29			
Jun-05	531	154	533	545.93			
Jul-05	562	133	555	567.73			
Aug-05	495	151	499	505.28			
Sep-05	646	299	653	588.01			
Oct-05	573	535	578	573.45			
Nov-05	687	774	702	678.62			
Dec-05	705	794	753	772.33			
Jan-06	877	1,096	876	847.80			
Feb-06	787	821	795	808.51			
Mar-06	738	906	696	668.99			
Apr-06	635	519	625	667.42			
May-06	620	347	613	589.25			
Jun-06	565	173	561	541.08			
Jul-06	599	118	597	582.13			
Aug-06	531	202	518	508.35			
Sep-06	581	296	588	599.85			
Oct-06	514	521	523	556.85			
Nov-06	757	1,162	651	678.42			
Dec-06	659	824	698	743.55			
Jan-07	1,088	912	1,145	955.23			
Feb-07	792	999	745	785.10			
Mar-07	795	954	739	701.68			
Apr-07	713	512	706	676.46			
May-07	541	322	541	580.90			
Jun-07	629	141	635	576.16			
Jul-07	479	102	482	544.76			
Aug-07	493	154	496	504.19			
Sep-07	611	308	615	618.55			
Oct-07	554	544	556	552.19			
Nov-07	690	725	721	691.37			
Dec-07	746	1,070	708	719.43			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

HAINES JUNCTION RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.81794091
R Square	0.66902733
Adjusted R Square	0.66703352
Standard Error	74.9169487
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1883302.063	1883302.06	335.551992	1.0471E-41
Residual	166	931683.1679	5612.5492		
Total	167	2814985.231			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	511.286091	11.02358632	46.3811029	6.0823E-97	489.5215885	533.050594	489.521588	533.050594
MHDD	0.31235608	0.017051793	18.3180783	1.0471E-41	0.278689743	0.34602242	0.27868974	0.34602242

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Teslin	3-Yr Average				Annual	Annual	Annual 3-Yr
	Residential	(kWh)	(Whitehorse)	Normalized	Actual	Normalized	Avg Mthly Normal
	monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94		912	1,085	915	1994	6,706	6,668
Feb-94		659	1,125	584	1995	6,690	6,701
Mar-94		635	654	668	1996	7,131	6,809
Apr-94		584	431	600	1997	6,847	6,938
May-94		431	321	431	1998	6,497	6,519
Jun-94		423	166	421	1999	6,621	6,608
Jul-94		464	84	472	2000	6,457	6,492
Aug-94		430	70	455	2001	6,427	6,457
Sep-94		517	335	513	2002	6,401	6,462
Oct-94		426	507	437	2003	6,270	6,290
Nov-94		537	936	507	2004	6,428	6,527
Dec-94		688	1,029	667	2005	6,524	6,652
Jan-95		856	1,020	877	2006	6,797	6,694
Feb-95		612	840	614	2007	7,011	6,974
Mar-95		686	880	658			6,773
Apr-95		521	440	535			
May-95		430	251	449			
Jun-95		402	139	407			
Jul-95		493	97	497			
Aug-95		428	198	419			
Sep-95		483	227	508			
Oct-95		486	525	492			
Nov-95		629	894	609			
Dec-95		664	1,049	637			
Jan-96		802	1,556	678			
Feb-96		844	836	847			
Mar-96		596	806	587			
Apr-96		538	526	528			
May-96		501	357	492			
Jun-96		518	194	509			
Jul-96		453	125	450			
Aug-96		538	227	520			
Sep-96		457	363	445			
Oct-96		482	680	447			
Nov-96		686	975	645			
Dec-96		717	1,156	661			
Jan-97		1,002	1,186	978			843.99
Feb-97		653	657	704			721.56
Mar-97		556	855	535			593.13
Apr-97		566	484	567			543.14
May-97		547	331	545			495.21
Jun-97		462	149	465			460.26
Jul-97		417	93	422			456.31
Aug-97		516	130	525			487.81
Sep-97		418	282	428			460.57
Oct-97		564	641	540			493.06
Nov-97		538	694	572			608.98
Dec-97		609	762	659			652.08
Jan-98		815	1,166	796			817.06
Feb-98		583	719	618			722.97
Mar-98		544	757	549			556.79
Apr-98		579	459	587			560.53
May-98		446	271	461			499.07
Jun-98		411	120	421			464.95
Jul-98		499	112	499			457.13
Aug-98		443	189	436			493.65
Sep-98		458	328	456			443.15
Oct-98		540	558	538			508.23
Nov-98		554	792	562			593.23
Dec-98		624	1,052	596			638.63

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Teslin	3-Yr Average				Annual Actual UPC (kWh)	Annual Normalized UPC (kWh)	Annual 3-Yr Avg Mthly Normal UPC (kWh)
	Residential	(kWh)	(Whitehorse)	Normalized			
	monthly	UPC	MHDD	UPC (kWh)			
Jan-99		837	1,183	813			862.19
Feb-99		604	976	569			630.37
Mar-99		659	734	670			584.36
Apr-99		587	509	581			578.46
May-99		458	392	439			481.54
Jun-99		510	154	512			465.84
Jul-99		509	109	510			477.03
Aug-99		411	146	416			458.77
Sep-99		463	311	466			449.91
Oct-99		524	500	537			538.18
Nov-99		512	793	520			551.39
Dec-99		548	844	576			610.37
Jan-00		837	1,083	840			816.39
Feb-00		564	735	595			593.83
Mar-00		492	659	523			580.39
Apr-00		545	516	538			568.81
May-00		474	382	458			452.59
Jun-00		514	173	510			481.05
Jul-00		419	142	411			473.34
Aug-00		423	220	407			419.65
Sep-00		547	354	537			486.37
Oct-00		487	539	490			521.62
Nov-00		590	691	625			569.07
Dec-00		566	978	557			576.58
Jan-01		638	723	738			797.07
Feb-01		570	864	566			576.47
Mar-01		629	765	631			607.94
Apr-01		537	507	532			550.72
May-01		475	390	457			451.46
Jun-01		515	167	513			511.73
Jul-01		453	140	445			455.35
Aug-01		424	140	430			417.50
Sep-01		490	309	493			498.73
Oct-01		473	573	467			498.05
Nov-01		581	818	583			575.95
Dec-01		640	1,095	601			578.01
Jan-02		639	936	682			753.54
Feb-02		720	825	726			628.82
Mar-02		538	921	498			550.73
Apr-02		539	653	494			521.71
May-02		584	362	573			496.22
Jun-02		420	176	416			479.76
Jul-02		428	131	423			426.26
Aug-02		486	183	480			438.97
Sep-02		416	314	417			482.66
Oct-02		533	444	561			506.15
Nov-02		529	583	593			600.47
Dec-02		570	845	598			585.19
Jan-03		721	989	750			723.42
Feb-03		547	757	571			620.95
Mar-03		531	835	515			548.10
Apr-03		434	514	427			484.74
May-03		565	364	554			528.17
Jun-03		427	193	418			449.01
Jul-03		480	84	487			451.76
Aug-03		428	181	423			444.12
Sep-03		464	359	453			454.52
Oct-03		516	467	538			522.25
Nov-03		536	875	522			565.86
Dec-03		623	912	632			610.19

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Teslin		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	832	1,255	789	740.37			
Feb-04	643	695	684	660.38			
Mar-04	440	756	445	485.86			
Apr-04	575	467	581	500.91			
May-04	432	273	446	524.44			
Jun-04	450	84	470	434.71			
Jul-04	511	74	521	476.90			
Aug-04	405	102	421	441.38			
Sep-04	531	368	518	463.00			
Oct-04	503	541	506	535.20			
Nov-04	529	720	557	557.24			
Dec-04	576	900	589	606.18			
Jan-05	925	1,165	907	815.10			
Feb-05	615	795	629	627.92			
Mar-05	535	614	578	512.38			
Apr-05	545	453	555	521.11			
May-05	480	257	498	499.25			
Jun-05	416	154	418	435.32			
Jul-05	466	133	461	489.70			
Aug-05	430	151	433	425.90			
Sep-05	522	299	528	499.85			
Oct-05	459	535	463	502.40			
Nov-05	553	774	566	548.01			
Dec-05	577	794	618	612.97			
Jan-06	816	1,096	816	837.00			
Feb-06	600	821	607	639.80			
Mar-06	739	906	703	575.14			
Apr-06	511	519	503	546.46			
May-06	502	347	495	479.73			
Jun-06	523	173	520	469.24			
Jul-06	442	118	440	473.93			
Aug-06	419	202	409	421.17			
Sep-06	540	296	547	531.06			
Oct-06	477	521	485	484.70			
Nov-06	546	1,162	455	525.78			
Dec-06	682	824	715	640.47			
Jan-07	822	912	871	864.49			
Feb-07	591	999	550	595.16			
Mar-07	737	954	688	656.30			
Apr-07	530	512	524	527.33			
May-07	617	322	617	536.74			
Jun-07	522	141	527	488.01			
Jul-07	444	102	446	449.11			
Aug-07	465	154	468	436.51			
Sep-07	500	308	504	526.09			
Oct-07	550	544	551	499.81			
Nov-07	645	725	672	564.03			
Dec-07	589	1,070	556	629.65			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

TESLIN RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.78984568
R Square	0.62385619
Adjusted R Square	0.62159027
Standard Error	71.2568958
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1397952.639	1397952.64	275.320571	4.43118E-37
Residual	166	842872.502	5077.54519		
Total	167	2240825.141			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	404.278455	10.48503115	38.557678	9.3954E-85	383.5772531	424.979658	383.577253	424.979658
MHDD	0.26911395	0.016218731	16.5927867	4.4312E-37	0.23709237	0.30113552	0.23709237	0.30113552

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Ross River				3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal		Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)		UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	863	1,085	867		1994	8,171	8,113	-
Feb-94	952	1,125	837		1995	7,786	7,804	-
Mar-94	837	654	886		1996	8,630	8,134	-
Apr-94	721	431	746		1997	8,109	8,249	8,062
May-94	629	321	629		1998	7,875	7,909	8,097
Jun-94	574	166	571		1999	7,780	7,760	7,973
Jul-94	447	84	459		2000	8,011	8,065	7,911
Aug-94	517	70	555		2001	7,520	7,566	7,797
Sep-94	473	335	467		2002	7,193	7,288	7,640
Oct-94	657	507	675		2003	6,856	6,886	7,247
Nov-94	682	936	635		2004	7,154	7,307	7,160
Dec-94	818	1,029	785		2005	7,453	7,650	7,281
Jan-95	1,152	1,020	1,183		2006	7,725	7,566	7,508
Feb-95	693	840	696		2007	7,504	7,446	7,554
Mar-95	613	880	569					
Apr-95	659	440	680					
May-95	525	251	555					
Jun-95	529	139	538					
Jul-95	465	97	472					
Aug-95	459	198	444					
Sep-95	538	227	577					
Oct-95	561	525	571					
Nov-95	717	894	687					
Dec-95	874	1,049	832					
Jan-96	1,136	1,556	946					
Feb-96	953	836	958					
Mar-96	777	806	763					
Apr-96	787	526	772					
May-96	591	357	577					
Jun-96	546	194	532					
Jul-96	538	125	533					
Aug-96	461	227	434					
Sep-96	600	363	583					
Oct-96	620	680	567					
Nov-96	729	975	666					
Dec-96	891	1,156	804					
Jan-97	1,260	1,186	1,222	1116.89				
Feb-97	867	657	946	866.48				
Mar-97	765	855	731	687.86				
Apr-97	695	484	697	716.19				
May-97	538	331	535	555.57				
Jun-97	505	149	509	526.34				
Jul-97	507	93	515	506.73				
Aug-97	446	130	460	445.92				
Sep-97	558	282	573	577.63				
Oct-97	639	641	601	579.59				
Nov-97	683	694	736	696.36				
Dec-97	646	762	723	786.58				
Jan-98	1,059	1,166	1,029	1065.81				
Feb-98	803	719	856	919.83				
Mar-98	783	757	790	761.54				
Apr-98	636	459	648	705.62				
May-98	528	271	549	553.61				
Jun-98	502	120	519	520.02				
Jul-98	553	112	554	534.06				
Aug-98	451	189	440	444.58				
Sep-98	560	328	557	570.88				
Oct-98	567	558	564	577.18				
Nov-98	592	792	605	668.94				
Dec-98	841	1,052	798	775.17				

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Ross River		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	956	1,183	920	1057.19			
Feb-99	799	976	745	849.08			
Mar-99	707	734	723	748.11			
Apr-99	703	509	695	680.07			
May-99	576	392	547	543.64			
Jun-99	505	154	507	511.69			
Jul-99	582	109	583	550.73			
Aug-99	472	146	479	459.28			
Sep-99	471	311	474	534.75			
Oct-99	640	500	661	608.65			
Nov-99	647	793	659	666.79			
Dec-99	724	844	766	762.53			
Jan-00	963	1,083	968	972.34			
Feb-00	778	735	824	808.56			
Mar-00	679	659	726	746.47			
Apr-00	788	516	777	706.70			
May-00	515	382	490	528.83			
Jun-00	650	173	644	556.67			
Jul-00	467	142	454	530.42			
Aug-00	475	220	451	456.49			
Sep-00	628	354	614	548.23			
Oct-00	600	539	605	609.85			
Nov-00	616	691	670	644.64			
Dec-00	854	978	842	802.13			
Jan-01	824	723	978	955.16			
Feb-01	680	864	673	747.64			
Mar-01	847	765	850	766.50			
Apr-01	594	507	587	686.35			
May-01	580	390	552	529.77			
Jun-01	560	167	557	569.30			
Jul-01	468	140	456	497.99			
Aug-01	431	140	440	456.69			
Sep-01	511	309	515	534.40			
Oct-01	561	573	551	605.49			
Nov-01	735	818	737	688.54			
Dec-01	730	1,095	670	759.25			
Jan-02	823	936	889	944.80			
Feb-02	854	825	863	786.85			
Mar-02	657	921	596	724.03			
Apr-02	665	653	598	653.83			
May-02	615	362	599	546.97			
Jun-02	448	176	441	547.33			
Jul-02	428	131	420	443.59			
Aug-02	512	183	503	464.95			
Sep-02	415	314	417	515.34			
Oct-02	494	444	537	564.34			
Nov-02	663	583	762	722.75			
Dec-02	622	845	664	725.06			
Jan-03	845	989	889	918.50			
Feb-03	718	757	755	763.90			
Mar-03	630	835	605	683.53			
Apr-03	550	514	539	574.66			
May-03	561	364	544	564.75			
Jun-03	431	193	417	471.57			
Jul-03	457	84	468	448.18			
Aug-03	387	181	379	440.96			
Sep-03	403	359	386	439.55			
Oct-03	473	467	508	532.06			
Nov-03	675	875	654	717.41			
Dec-03	727	912	742	691.81			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Ross River		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	884	1,255	818	865.16			
Feb-04	769	695	832	816.94			
Mar-04	640	756	648	615.96			
Apr-04	685	467	695	610.47			
May-04	499	273	520	553.98			
Jun-04	453	84	485	447.51			
Jul-04	487	74	503	463.61			
Aug-04	415	102	440	440.81			
Sep-04	539	368	519	440.76			
Oct-04	500	541	504	516.38			
Nov-04	568	720	610	675.27			
Dec-04	715	900	735	713.46			
Jan-05	999	1,165	970	892.41			
Feb-05	829	795	851	812.80			
Mar-05	633	614	699	650.34			
Apr-05	688	453	703	645.50			
May-05	513	257	541	534.58			
Jun-05	435	154	437	446.33			
Jul-05	489	133	481	483.88			
Aug-05	457	151	462	426.87			
Sep-05	584	299	592	499.26			
Oct-05	496	535	503	504.73			
Nov-05	593	774	613	625.69			
Dec-05	736	794	800	758.66			
Jan-06	961	1,096	960	916.16			
Feb-06	801	821	811	831.45			
Mar-06	697	906	643	663.03			
Apr-06	730	519	717	704.82			
May-06	557	347	547	535.63			
Jun-06	533	173	527	483.11			
Jul-06	426	118	423	468.95			
Aug-06	394	202	377	426.30			
Sep-06	522	296	532	547.87			
Oct-06	525	521	537	514.42			
Nov-06	689	1,162	548	590.47			
Dec-06	892	824	942	825.52			
Jan-07	779	912	854	928.29			
Feb-07	714	999	652	771.22			
Mar-07	963	954	888	743.21			
Apr-07	682	512	673	697.59			
May-07	505	322	505	530.89			
Jun-07	527	141	535	499.85			
Jul-07	422	102	426	443.31			
Aug-07	469	154	472	437.03			
Sep-07	445	308	450	524.93			
Oct-07	563	544	566	534.96			
Nov-07	733	725	773	644.88			
Dec-07	703	1,070	652	798.05			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

ROSS RIVER RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.84597515
R Square	0.71567396
Adjusted R Square	0.71396115
Standard Error	88.8706756
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	3300073.562	3300073.56	417.836772	3.38559E-47
Residual	166	1311067.499	7897.99698		
Total	167	4611141.061			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	413.852072	13.07679477	31.6478219	3.2221E-72	388.0338014	439.670343	388.033801	439.670343
MHDD	0.41347741	0.020227791	20.441056	3.3856E-47	0.373540515	0.45341431	0.37354051	0.45341431

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Tagish	3-Yr Average				Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	603	1,085	605		1994	4,446	4,416
Feb-94	498	1,125	438		1995	4,808	4,817
Mar-94	475	654	501		1996	4,746	4,486
Apr-94	315	431	327		1997	4,127	4,201
May-94	288	321	288		1998	4,177	4,195
Jun-94	232	166	231		1999	4,127	4,117
Jul-94	261	84	268		2000	3,765	3,793
Aug-94	250	70	270		2001	3,641	3,665
Sep-94	284	335	280		2002	3,741	3,791
Oct-94	301	507	311		2003	3,698	3,714
Nov-94	446	936	421		2004	3,917	3,998
Dec-94	493	1,029	475		2005	4,059	4,163
Jan-95	643	1,020	659		2006	4,591	4,508
Feb-95	457	840	458		2007	4,790	4,759
Mar-95	612	880	589				4,477
Apr-95	331	440	342				
May-95	290	251	305				
Jun-95	307	139	312				
Jul-95	277	97	280				
Aug-95	255	198	247				
Sep-95	321	227	341				
Oct-95	327	525	333				
Nov-95	426	894	411				
Dec-95	562	1,049	540				
Jan-96	549	1,556	448				
Feb-96	656	836	659				
Mar-96	394	806	387				
Apr-96	345	526	337				
May-96	327	357	320				
Jun-96	266	194	259				
Jul-96	293	125	291				
Aug-96	312	227	298				
Sep-96	310	363	301				
Oct-96	365	680	337				
Nov-96	404	975	371				
Dec-96	525	1,156	479				
Jan-97	603	1,186	583	563.59			
Feb-97	382	657	424	513.68			
Mar-97	368	855	351	442.04			
Apr-97	335	484	336	338.36			
May-97	306	331	304	309.80			
Jun-97	261	149	264	277.94			
Jul-97	272	93	276	282.29			
Aug-97	292	130	299	281.02			
Sep-97	275	282	283	308.27			
Oct-97	350	641	331	333.42			
Nov-97	324	694	352	377.93			
Dec-97	358	762	399	472.85			
Jan-98	569	1,166	553	528.33			
Feb-98	391	719	419	500.40			
Mar-98	360	757	363	366.87			
Apr-98	335	459	342	338.26			
May-98	295	271	307	310.19			
Jun-98	270	120	278	266.83			
Jul-98	307	112	307	291.24			
Aug-98	284	189	278	291.50			
Sep-98	300	328	299	294.16			
Oct-98	341	558	339	335.54			
Nov-98	349	792	355	359.46			
Dec-98	378	1,052	355	411.01			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Tagish				3-Yr Average			
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Annual	Annual	Annual 3-Yr
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	Actual	Normalized	Avg Mthly Normal
					UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	537	1,183	518	551.54			
Feb-99	424	976	396	412.67			
Mar-99	375	734	383	365.78			
Apr-99	373	509	368	348.87			
May-99	292	392	277	296.01			
Jun-99	271	154	272	271.35			
Jul-99	306	109	307	296.66			
Aug-99	281	146	284	287.14			
Sep-99	295	311	297	292.81			
Oct-99	288	500	299	322.73			
Nov-99	313	793	319	342.16			
Dec-99	374	844	396	383.22			
Jan-00	454	1,083	456	509.22			
Feb-00	337	735	362	391.98			
Mar-00	325	659	350	365.50			
Apr-00	308	516	303	337.60			
May-00	299	382	286	289.80			
Jun-00	263	173	260	270.16			
Jul-00	276	142	269	294.49			
Aug-00	300	220	287	283.34			
Sep-00	275	354	267	287.56			
Oct-00	270	539	272	303.19			
Nov-00	291	691	320	331.40			
Dec-00	368	978	361	370.74			
Jan-01	344	723	425	466.32			
Feb-01	359	864	356	371.04			
Mar-01	303	765	305	346.07			
Apr-01	284	507	281	317.19			
May-01	273	390	258	273.75			
Jun-01	241	167	240	257.35			
Jul-01	257	140	251	275.72			
Aug-01	279	140	283	285.04			
Sep-01	262	309	264	276.06			
Oct-01	275	573	270	280.03			
Nov-01	324	818	325	321.38			
Dec-01	439	1,095	407	388.28			
Jan-02	420	936	454	445.12			
Feb-02	352	825	357	358.21			
Mar-02	321	921	289	314.62			
Apr-02	315	653	279	287.43			
May-02	283	362	275	273.00			
Jun-02	248	176	245	248.22			
Jul-02	272	131	268	262.75			
Aug-02	291	183	286	285.60			
Sep-02	253	314	254	261.91			
Oct-02	299	444	322	287.93			
Nov-02	317	583	369	338.11			
Dec-02	369	845	391	386.58			
Jan-03	438	989	461	446.74			
Feb-03	353	757	372	361.78			
Mar-03	336	835	323	305.68			
Apr-03	314	514	308	289.36			
May-03	282	364	273	268.63			
Jun-03	256	193	249	244.36			
Jul-03	288	84	294	270.94			
Aug-03	270	181	266	278.67			
Sep-03	277	359	269	262.49			
Oct-03	244	467	262	284.51			
Nov-03	263	875	252	315.54			
Dec-03	377	912	385	394.40			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Tagish	3-Yr Average				Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	426	1,255	392	435.73			
Feb-04	378	695	411	380.17			
Mar-04	340	756	344	318.73			
Apr-04	360	467	365	317.52			
May-04	281	273	292	279.88			
Jun-04	250	84	267	253.34			
Jul-04	291	74	299	287.12			
Aug-04	257	102	270	274.19			
Sep-04	317	368	307	276.69			
Oct-04	305	541	307	296.95			
Nov-04	336	720	359	326.65			
Dec-04	375	900	386	387.19			
Jan-05	532	1,165	517	456.74			
Feb-05	428	795	439	407.59			
Mar-05	325	614	359	342.21			
Apr-05	316	453	324	332.50			
May-05	272	257	286	283.59			
Jun-05	252	154	254	256.24			
Jul-05	286	133	282	291.69			
Aug-05	300	151	303	279.76			
Sep-05	276	299	281	285.39			
Oct-05	312	535	316	294.76			
Nov-05	346	774	357	322.46			
Dec-05	412	794	445	405.31			
Jan-06	550	1,096	550	486.25			
Feb-06	436	821	442	430.66			
Mar-06	454	906	425	376.21			
Apr-06	381	519	374	354.49			
May-06	327	347	322	300.00			
Jun-06	262	173	259	259.89			
Jul-06	320	118	319	300.02			
Aug-06	277	202	268	280.26			
Sep-06	308	296	313	300.25			
Oct-06	326	521	332	318.17			
Nov-06	425	1,162	351	355.35			
Dec-06	526	824	553	461.32			
Jan-07	596	912	636	567.67			
Feb-07	549	999	516	465.86			
Mar-07	455	954	416	400.19			
Apr-07	358	512	353	350.37			
May-07	332	322	332	313.37			
Jun-07	297	141	302	271.50			
Jul-07	286	102	288	296.11			
Aug-07	298	154	299	290.03			
Sep-07	297	308	300	297.93			
Oct-07	341	544	342	329.99			
Nov-07	471	725	492	399.94			
Dec-07	510	1,070	483	493.71			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

TAGISH RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.80161532
R Square	0.64258711
Adjusted R Square	0.64043403
Standard Error	55.3125283
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	913096.9995	913096.999	298.44884	6.29458E-39
Residual	166	507872.9799	3059.47578		
Total	167	1420969.979			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	229.28296	8.13891169	28.1712062	3.8618E-65	213.2138365	245.352083	213.213836	245.352083
MHDD	0.21749458	0.012589645	17.2756719	6.2946E-39	0.192638115	0.24235104	0.19263812	0.24235104

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Marsh Lake				3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal		Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)		UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	1,011	1,085	1,016		1994	7,637	7,576	-
Feb-94	839	1,125	718		1995	7,538	7,556	-
Mar-94	767	654	819		1996	8,173	7,650	-
Apr-94	576	431	602		1997	7,592	7,740	7,649
May-94	499	321	500		1998	7,409	7,444	7,611
Jun-94	413	166	409		1999	7,314	7,293	7,493
Jul-94	398	84	410		2000	7,004	7,061	7,266
Aug-94	418	70	458		2001	7,054	7,103	7,152
Sep-94	469	335	463		2002	6,943	7,043	7,069
Oct-94	537	507	556		2003	6,953	6,986	7,044
Nov-94	758	936	708		2004	7,138	7,300	7,110
Dec-94	952	1,029	917		2005	7,197	7,406	7,230
Jan-95	839	1,020	872		2006	7,843	7,675	7,460
Feb-95	734	840	737		2007	7,878	7,816	7,632
Mar-95	833	880	786					
Apr-95	575	440	596					
May-95	508	251	540					
Jun-95	409	139	417					
Jul-95	436	97	443					
Aug-95	456	198	440					
Sep-95	478	227	518					
Oct-95	538	525	549					
Nov-95	743	894	712					
Dec-95	989	1,049	945					
Jan-96	815	1,556	614					
Feb-96	1,224	836	1,229					
Mar-96	694	806	680					
Apr-96	602	526	586					
May-96	510	357	495					
Jun-96	418	194	403					
Jul-96	462	125	457					
Aug-96	454	227	426					
Sep-96	497	363	479					
Oct-96	666	680	609					
Nov-96	837	975	771					
Dec-96	992	1,156	901					
Jan-97	1,187	1,186	1,148	878.06				
Feb-97	697	657	781	915.55				
Mar-97	669	855	633	699.62				
Apr-97	662	484	665	615.64				
May-97	500	331	496	510.44				
Jun-97	422	149	426	415.47				
Jul-97	494	93	502	467.52				
Aug-97	404	130	418	427.91				
Sep-97	475	282	491	495.97				
Oct-97	653	641	613	590.55				
Nov-97	639	694	695	725.74				
Dec-97	791	762	872	906.20				
Jan-98	923	1,166	892	884.67				
Feb-98	720	719	776	928.41				
Mar-98	633	757	641	651.20				
Apr-98	589	459	603	617.83				
May-98	494	271	516	502.62				
Jun-98	439	120	456	428.46				
Jul-98	487	112	488	482.33				
Aug-98	467	189	455	432.79				
Sep-98	554	328	551	506.89				
Oct-98	561	558	557	593.22				
Nov-98	656	792	669	711.44				
Dec-98	887	1,052	841	871.47				

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Marsh Lake			3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	907	1,183	869	969.53			
Feb-99	812	976	756	770.65			
Mar-99	661	734	678	650.69			
Apr-99	615	509	607	624.78			
May-99	514	392	484	498.78			
Jun-99	473	154	475	452.65			
Jul-99	461	109	463	484.37			
Aug-99	429	146	436	436.17			
Sep-99	511	311	515	519.00			
Oct-99	517	500	539	569.87			
Nov-99	589	793	602	655.32			
Dec-99	824	844	869	860.71			
Jan-00	829	1,083	834	864.88			
Feb-00	666	735	714	748.65			
Mar-00	578	659	629	649.21			
Apr-00	569	516	558	589.16			
May-00	525	382	499	499.80			
Jun-00	430	173	424	451.90			
Jul-00	452	142	439	463.15			
Aug-00	494	220	468	453.07			
Sep-00	502	354	487	517.55			
Oct-00	581	539	585	560.61			
Nov-00	591	691	648	639.83			
Dec-00	788	978	775	828.36			
Jan-01	715	723	877	859.96			
Feb-01	674	864	667	712.51			
Mar-01	609	765	613	639.85			
Apr-01	561	507	553	572.65			
May-01	554	390	525	502.69			
Jun-01	445	167	441	446.79			
Jul-01	481	140	469	456.85			
Aug-01	438	140	448	450.70			
Sep-01	453	309	457	486.33			
Oct-01	572	573	562	562.08			
Nov-01	643	818	645	631.76			
Dec-01	911	1,095	846	830.13			
Jan-02	806	936	876	862.24			
Feb-02	645	825	655	678.80			
Mar-02	628	921	563	601.59			
Apr-02	659	653	587	566.18			
May-02	506	362	489	504.33			
Jun-02	445	176	438	434.39			
Jul-02	446	131	438	448.46			
Aug-02	465	183	456	457.41			
Sep-02	463	314	466	469.90			
Oct-02	560	444	606	584.18			
Nov-02	576	583	681	657.88			
Dec-02	745	845	789	803.52			
Jan-03	773	989	819	857.25			
Feb-03	611	757	651	657.63			
Mar-03	601	835	574	583.55			
Apr-03	602	514	591	577.31			
May-03	460	364	442	485.17			
Jun-03	450	193	435	438.27			
Jul-03	466	84	479	461.70			
Aug-03	456	181	448	450.54			
Sep-03	522	359	505	475.86			
Oct-03	492	467	529	565.28			
Nov-03	697	875	675	666.64			
Dec-03	823	912	838	824.69			

Yukon Electrical Company Limited
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Marsh Lake			3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	807	1,255	738	810.79			
Feb-04	657	695	724	676.53			
Mar-04	618	756	626	587.93			
Apr-04	624	467	634	604.04			
May-04	482	273	504	478.26			
Jun-04	494	84	527	467.01			
Jul-04	457	74	474	463.33			
Aug-04	461	102	487	463.61			
Sep-04	524	368	503	491.19			
Oct-04	544	541	548	560.70			
Nov-04	635	720	680	678.40			
Dec-04	835	900	855	827.73			
Jan-05	869	1,165	839	798.54			
Feb-05	755	795	778	717.63			
Mar-05	605	614	675	625.03			
Apr-05	524	453	540	588.16			
May-05	521	257	550	498.72			
Jun-05	452	154	454	472.24			
Jul-05	473	133	464	472.20			
Aug-05	477	151	482	472.19			
Sep-05	513	299	522	510.06			
Oct-05	534	535	540	538.91			
Nov-05	699	774	721	691.66			
Dec-05	774	794	841	845.01			
Jan-06	849	1,096	848	808.24			
Feb-06	796	821	807	769.78			
Mar-06	758	906	700	666.86			
Apr-06	582	519	569	580.65			
May-06	549	347	538	530.85			
Jun-06	462	173	456	478.98			
Jul-06	466	118	463	467.13			
Aug-06	508	202	491	486.49			
Sep-06	527	296	537	520.94			
Oct-06	582	521	595	561.09			
Nov-06	880	1,162	732	710.74			
Dec-06	885	824	939	878.45			
Jan-07	895	912	975	887.36			
Feb-07	875	999	808	798.00			
Mar-07	718	954	640	671.45			
Apr-07	589	512	579	562.43			
May-07	496	322	496	528.24			
Jun-07	474	141	482	463.97			
Jul-07	480	102	485	470.84			
Aug-07	513	154	516	496.24			
Sep-07	497	308	502	520.60			
Oct-07	644	544	647	594.13			
Nov-07	796	725	838	763.58			
Dec-07	900	1,070	847	875.53			

Yukon Electrical Company Limited
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MARSH LAKE RESIDENTIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.89809713
R Square	0.80657845
Adjusted R Square	0.80541326
Standard Error	72.8549545
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	3674244.197	3674244.2	692.229071	4.14185E-61
Residual	166	881102.1705	5307.8444		
Total	167	4555346.368			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	376.92952	10.72017606	35.1607584	7.9425E-79	355.764058	398.094983	355.764058	398.094983
MHDD	0.43628872	0.016582464	26.3102465	4.1419E-61	0.403549004	0.46902844	0.403549	0.46902844

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Deep Creek		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-98	906	1,166	879		1998	6,902	6,933
Feb-98	639	719	688		1999	5,641	5,623
Mar-98	764	757	770		2000	5,281	5,330
Apr-98	560	459	571		2001	4,533	4,576
May-98	412	271	432		2002	4,351	4,438
Jun-98	348	120	363		2003	5,452	5,480
Jul-98	401	112	401		2004	6,284	6,425
Aug-98	457	189	447		2005	5,269	5,450
Sep-98	402	328	399		2006	5,423	5,278
Oct-98	605	558	602		2007	5,580	5,526
Nov-98	677	792	688				5,418
Dec-98	732	1,052	692				
Jan-99	943	1,183	910				
Feb-99	798	976	749				
Mar-99	523	734	539				
Apr-99	443	509	436				
May-99	380	392	353				
Jun-99	309	154	311				
Jul-99	321	109	323				
Aug-99	273	146	279				
Sep-99	371	311	374				
Oct-99	353	500	372				
Nov-99	450	793	461				
Dec-99	478	844	517				
Jan-00	806	1,083	810	866.49			
Feb-00	504	735	546	661.03			
Mar-00	420	659	463	590.71			
Apr-00	464	516	454	486.87			
May-00	329	382	307	364.07			
Jun-00	275	173	270	314.36			
Jul-00	325	142	314	345.82			
Aug-00	294	220	272	332.69			
Sep-00	354	354	341	371.12			
Oct-00	381	539	385	452.93			
Nov-00	429	691	479	542.90			
Dec-00	702	978	690	633.00			
Jan-01	394	723	535	751.71			
Feb-01	532	864	526	607.03			
Mar-01	446	765	450	483.79			
Apr-01	444	507	437	442.20			
May-01	310	390	284	314.77			
Jun-01	298	167	295	291.66			
Jul-01	251	140	241	292.28			
Aug-01	206	140	215	255.34			
Sep-01	326	309	330	348.36			
Oct-01	288	573	279	345.27			
Nov-01	428	818	430	456.69			
Dec-01	610	1,095	554	587.07			
Jan-02	649	936	709	684.94			
Feb-02	479	825	487	519.75			
Mar-02	421	921	365	425.89			
Apr-02	337	653	274	388.44			
May-02	293	362	278	289.74			
Jun-02	218	176	211	258.58			
Jul-02	243	131	236	263.50			
Aug-02	281	183	273	253.19			
Sep-02	238	314	240	303.86			
Oct-02	308	444	348	337.48			
Nov-02	410	583	501	469.86			
Dec-02	475	845	514	586.10			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Deep Creek					Annual Actual UPC (kWh)	Annual Normalized UPC (kWh)	Annual 3-Yr Avg Mthly Normal UPC (kWh)
Residential monthly	(kWh) UPC	(Whitehorse) MHDD	Normalized UPC (kWh)	3-Yr Average Mthly Normal UPC (kWh)			
Jan-03	480	989	521	588.39			
Feb-03	621	757	655	556.06			
Mar-03	448	835	425	413.18			
Apr-03	371	514	361	357.53			
May-03	343	364	327	296.51			
Jun-03	288	193	275	260.40			
Jul-03	351	84	362	279.58			
Aug-03	322	181	314	267.42			
Sep-03	502	359	488	352.78			
Oct-03	343	467	374	333.85			
Nov-03	534	875	514	481.77			
Dec-03	849	912	863	643.63			
Jan-04	987	1,255	927	719.00			
Feb-04	834	695	891	677.98			
Mar-04	625	756	632	473.95			
Apr-04	545	467	553	396.19			
May-04	388	273	407	337.36			
Jun-04	338	84	367	284.56			
Jul-04	342	74	357	318.30			
Aug-04	333	102	356	314.54			
Sep-04	391	368	373	367.00			
Oct-04	463	541	466	396.29			
Nov-04	607	720	646	553.84			
Dec-04	430	900	449	608.46			
Jan-05	799	1,165	773	740.17			
Feb-05	616	795	636	727.61			
Mar-05	488	614	549	535.39			
Apr-05	432	453	446	453.34			
May-05	303	257	328	353.84			
Jun-05	415	154	417	353.18			
Jul-05	333	133	325	347.91			
Aug-05	403	151	408	359.48			
Sep-05	351	299	358	406.32			
Oct-05	368	535	374	404.94			
Nov-05	377	774	396	518.78			
Dec-05	382	794	440	583.86			
Jan-06	486	1,096	486	728.56			
Feb-06	684	821	694	740.62			
Mar-06	472	906	422	534.39			
Apr-06	422	519	411	469.89			
May-06	423	347	413	382.60			
Jun-06	420	173	415	399.76			
Jul-06	362	118	360	347.25			
Aug-06	315	202	300	354.72			
Sep-06	380	296	390	373.65			
Oct-06	339	521	350	396.97			
Nov-06	461	1,162	332	457.84			
Dec-06	658	824	705	531.27			
Jan-07	813	912	882	713.69			
Feb-07	625	999	567	632.52			
Mar-07	601	954	532	501.21			
Apr-07	603	512	594	483.62			
May-07	321	322	321	353.97			
Jun-07	348	141	355	395.70			
Jul-07	351	102	355	346.53			
Aug-07	318	154	321	342.99			
Sep-07	373	308	377	374.96			
Oct-07	327	544	329	351.15			
Nov-07	511	725	548	425.24			
Dec-07	391	1,070	344	496.48			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

DEEP CREEK RESIDENTIAL SUMMARY OUTPUT

Data: 1998:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.7489567
R Square	0.56093614
Adjusted R Square	0.55721526
Standard Error	109.888898
Observations	120

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1820435.801	1820435.8	150.753614	7.88801E-23
Residual	118	1424917.244	12075.5699		
Total	119	3245353.045			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	249.963852	19.54806457	12.7871407	5.0268E-24	211.2533631	288.674342	211.253363	288.674342
MHDD	0.37962809	0.030918931	12.2781763	7.888E-23	0.318400191	0.44085599	0.31840019	0.44085599

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Takhini River		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-98	711	1,166	683		1998	5,345	5,376
Feb-98	554	719	604		1999	5,431	5,412
Mar-98	501	757	508		2000	5,237	5,288
Apr-98	455	459	467		2001	5,763	5,807
May-98	389	271	409		2002	6,020	6,111
Jun-98	352	120	368		2003	6,118	6,147
Jul-98	294	112	294		2004	6,264	6,409
Aug-98	293	189	282		2005	6,651	6,839
Sep-98	331	328	328		2006	5,801	5,650
Oct-98	431	558	428		2007	6,485	6,430
Nov-98	464	792	476				6,306
Dec-98	572	1,052	531				
Jan-99	817	1,183	783				
Feb-99	628	976	577				
Mar-99	531	734	547				
Apr-99	462	509	454				
May-99	370	392	343				
Jun-99	343	154	345				
Jul-99	306	109	307				
Aug-99	298	146	304				
Sep-99	373	311	377				
Oct-99	354	500	374				
Nov-99	434	793	445				
Dec-99	516	844	557				
Jan-00	611	1,083	616	693.84			
Feb-00	670	735	714	631.94			
Mar-00	475	659	520	524.92			
Apr-00	369	516	359	426.54			
May-00	384	382	361	370.75			
Jun-00	382	173	377	363.05			
Jul-00	323	142	311	304.11			
Aug-00	301	220	278	288.04			
Sep-00	372	354	358	354.30			
Oct-00	433	539	437	413.17			
Nov-00	485	691	536	485.75			
Dec-00	432	978	420	502.51			
Jan-01	738	723	884	760.90			
Feb-01	484	864	477	589.57			
Mar-01	519	765	522	529.70			
Apr-01	462	507	456	422.83			
May-01	474	390	448	383.64			
Jun-01	356	167	353	358.26			
Jul-01	348	140	337	318.51			
Aug-01	305	140	314	298.73			
Sep-01	345	309	349	361.22			
Oct-01	484	573	475	428.81			
Nov-01	557	818	559	513.66			
Dec-01	691	1,095	633	536.56			
Jan-02	907	936	970	823.20			
Feb-02	640	825	649	613.65			
Mar-02	574	921	516	519.49			
Apr-02	536	653	471	428.66			
May-02	441	362	426	411.42			
Jun-02	354	176	347	358.98			
Jul-02	344	131	337	328.39			
Aug-02	328	183	320	303.95			
Sep-02	319	314	322	342.88			
Oct-02	491	444	533	481.73			
Nov-02	519	583	613	569.53			
Dec-02	567	845	607	553.20			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Takhini River			3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-03	826	989	867	907.13			
Feb-03	663	757	699	608.44			
Mar-03	575	835	552	529.85			
Apr-03	483	514	473	466.63			
May-03	450	364	433	435.69			
Jun-03	401	193	388	362.81			
Jul-03	391	84	402	358.59			
Aug-03	425	181	417	350.39			
Sep-03	297	359	282	317.39			
Oct-03	343	467	376	461.22			
Nov-03	588	875	567	579.79			
Dec-03	677	912	691	643.58			
Jan-04	744	1,255	682	839.57			
Feb-04	750	695	810	719.41			
Mar-04	504	756	511	526.22			
Apr-04	541	467	550	498.09			
May-04	399	273	419	426.02			
Jun-04	373	84	402	379.15			
Jul-04	378	74	393	377.26			
Aug-04	340	102	363	366.93			
Sep-04	431	368	412	338.46			
Oct-04	428	541	431	446.71			
Nov-04	545	720	585	588.45			
Dec-04	831	900	850	715.97			
Jan-05	987	1,165	959	836.09			
Feb-05	946	795	967	825.21			
Mar-05	733	614	796	619.37			
Apr-05	635	453	649	557.34			
May-05	411	257	437	429.66			
Jun-05	407	154	409	399.68			
Jul-05	344	133	336	376.98			
Aug-05	293	151	297	359.34			
Sep-05	394	299	402	365.41			
Oct-05	400	535	406	404.48			
Nov-05	572	774	591	581.03			
Dec-05	530	794	590	710.48			
Jan-06	681	1,096	680	773.78			
Feb-06	640	821	650	808.99			
Mar-06	610	906	558	621.48			
Apr-06	448	519	437	545.21			
May-06	453	347	444	433.01			
Jun-06	385	173	380	396.88			
Jul-06	328	118	326	351.61			
Aug-06	280	202	264	308.34			
Sep-06	362	296	371	395.32			
Oct-06	329	521	340	392.58			
Nov-06	514	1,162	381	518.88			
Dec-06	771	824	820	753.34			
Jan-07	763	912	835	824.95			
Feb-07	689	999	630	748.91			
Mar-07	773	954	702	685.24			
Apr-07	689	512	680	588.54			
May-07	459	322	459	446.45			
Jun-07	424	141	432	406.71			
Jul-07	383	102	387	349.44			
Aug-07	302	154	305	288.71			
Sep-07	353	308	357	376.96			
Oct-07	447	544	450	398.72			
Nov-07	532	725	570	513.81			
Dec-07	671	1,070	623	677.89			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

TAKHINI RIVER RESIDENTIAL SUMMARY OUTPUT

Data: 1998:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.80607439
R Square	0.64975593
Adjusted R Square	0.64678776
Standard Error	94.3540325
Observations	120

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1948867.873	1948867.87	218.907915	1.18755E-28
Residual	118	1050516.646	8902.68344		
Total	119	2999384.519			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	279.481134	16.78457747	16.6510676	9.239E-33	246.2431019	312.719167	246.243102	312.719167
MHDD	0.3927913	0.026547958	14.795537	1.1875E-28	0.340219113	0.44536348	0.34021911	0.44536348

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Lower Post BC				3-Yr Average	Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-96	985	1,605	890		1996	8,106	7,820
Feb-96	769	947	776		1997	7,991	8,024
Mar-96	801	874	802		1998	7,999	8,017
Apr-96	696	548	694		1999	7,778	7,799
May-96	581	366	570		2000	7,944	7,920
Jun-96	512	164	504		2001	7,661	7,668
Jul-96	550	103	546		2002	7,721	7,679
Aug-96	503	185	494		2003	7,530	7,566
Sep-96	576	355	564		2004	7,758	7,877
Oct-96	538	662	507		2005	7,364	7,551
Nov-96	783	1,121	729		2006	8,682	8,632
Dec-96	812	1,361	745		2007	9,151	9,132
Jan-97	1,036	1,407	1,002				8,438
Feb-97	754	885	779				
Mar-97	683	944	662				
Apr-97	725	528	729				
May-97	566	312	572				
Jun-97	545	143	543				
Jul-97	573	84	574				
Aug-97	495	110	510				
Sep-97	588	271	602				
Oct-97	568	660	538				
Nov-97	736	936	739				
Dec-97	723	984	773				
Jan-98	1,059	1,410	1,024	972.13			
Feb-98	791	942	799	784.86			
Mar-98	740	843	750	737.90			
Apr-98	661	500	674	698.96			
May-98	554	211	590	577.14			
Jun-98	504	89	519	522.05			
Jul-98	460	66	468	529.28			
Aug-98	481	157	481	494.77			
Sep-98	570	321	568	578.20			
Oct-98	600	561	601	548.70			
Nov-98	790	958	787	751.68			
Dec-98	788	1,253	755	757.96			
Jan-99	934	1,350	918	981.47			
Feb-99	773	1,066	743	773.89			
Mar-99	711	871	713	708.28			
Apr-99	678	506	689	697.32			
May-99	598	372	585	582.36			
Jun-99	540	140	539	533.65			
Jul-99	479	99	476	505.95			
Aug-99	499	128	508	499.39			
Sep-99	580	293	587	585.67			
Oct-99	577	520	591	576.61			
Nov-99	710	940	712	745.99			
Dec-99	698	1,013	740	756.05			
Jan-00	921	1,345	906	949.50			
Feb-00	844	956	848	796.65			
Mar-00	688	750	727	730.02			
Apr-00	664	591	649	670.68			
May-00	638	374	625	600.06			
Jun-00	526	158	520	525.77			
Jul-00	543	84	544	495.89			
Aug-00	520	217	502	496.80			
Sep-00	545	315	546	566.94			
Oct-00	617	576	613	601.38			
Nov-00	681	858	708	735.58			
Dec-00	757	1,223	733	742.70			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Lower Post BC			3-Yr Average		Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-01	975	1,043	1,053	959.10			
Feb-01	692	1,031	673	754.48			
Mar-01	683	845	693	710.91			
Apr-01	658	536	659	665.69			
May-01	578	367	567	592.36			
Jun-01	536	156	530	529.39			
Jul-01	506	120	496	505.42			
Aug-01	496	121	507	505.64			
Sep-01	537	300	542	558.20			
Oct-01	598	577	593	598.98			
Nov-01	671	975	662	693.96			
Dec-01	732	1,275	692	721.50			
Jan-02	904	1,246	920	959.85			
Feb-02	725	970	724	748.23			
Mar-02	724	991	689	702.96			
Apr-02	759	695	712	673.34			
May-02	593	366	582	591.21			
Jun-02	540	148	537	528.79			
Jul-02	468	122	458	499.58			
Aug-02	543	182	535	514.79			
Sep-02	532	331	527	538.22			
Oct-02	576	515	591	599.16			
Nov-02	670	822	709	692.95			
Dec-02	686	1,118	695	706.58			
Jan-03	884	1,178	921	964.64			
Feb-03	664	965	665	687.42			
Mar-03	665	900	658	679.96			
Apr-03	730	554	726	698.92			
May-03	648	342	644	597.76			
Jun-03	475	180	462	509.41			
Jul-03	489	57	499	484.48			
Aug-03	497	163	495	512.49			
Sep-03	534	330	529	532.73			
Oct-03	536	526	547	577.36			
Nov-03	684	964	678	683.06			
Dec-03	725	1,096	741	709.33			
Jan-04	847	1,366	826	888.83			
Feb-04	806	881	833	740.84			
Mar-04	709	810	730	692.31			
Apr-04	671	497	685	707.42			
May-04	507	292	519	581.71			
Jun-04	562	74	581	526.43			
Jul-04	514	36	531	496.05			
Aug-04	480	146	483	504.49			
Sep-04	510	371	494	516.50			
Oct-04	567	565	566	568.41			
Nov-04	783	876	805	730.64			
Dec-04	802	1,071	825	753.79			
Jan-05	1,013	1,330	1,003	916.46			
Feb-05	610	942	618	705.56			
Mar-05	633	727	679	688.95			
Apr-05	619	465	642	684.26			
May-05	581	257	604	589.08			
Jun-05	445	127	448	496.75			
Jul-05	494	137	479	502.96			
Aug-05	449	162	447	475.11			
Sep-05	509	297	515	512.55			
Oct-05	621	500	641	584.84			
Nov-05	648	758	706	729.68			
Dec-05	743	1,061	769	778.58			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Lower Post BC		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-06	943	1,185	978	935.42			
Feb-06	910	1,017	895	782.25			
Mar-06	827	961	801	736.50			
Apr-06	715	528	719	681.98			
May-06	584	371	571	564.67			
Jun-06	617	137	617	548.36			
Jul-06	548	79	552	520.55			
Aug-06	557	172	552	494.22			
Sep-06	563	292	570	526.27			
Oct-06	675	543	682	629.57			
Nov-06	837	1,196	760	756.94			
Dec-06	906	1,050	936	843.48			
Jan-07	1,105	1,102	1,166	1048.66			
Feb-07	909	1,017	894	802.56			
Mar-07	920	1,002	881	786.96			
Apr-07	950	543	949	770.11			
May-07	681	332	681	618.60			
Jun-07	544	123	549	537.57			
Jul-07	589	89	589	539.91			
Aug-07	534	143	538	512.48			
Sep-07	571	315	572	552.35			
Oct-07	691	553	694	672.20			
Nov-07	797	957	794	753.50			
Dec-07	858	1,255	825	843.38			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

LOWER POST RESIDENTIAL SUMMARY OUTPUT

Data: 1996:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.86834728
R Square	0.754027
Adjusted R Square	0.75229479
Standard Error	72.850001
Observations	144

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	2310185.873	2310185.87	435.299131	4.34878E-45
Residual	142	753611.4152	5307.12264		
Total	143	3063797.288			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	474.671718	10.9370022	43.4005323	7.7206E-84	453.0513321	496.292104	453.051332	496.292104
MHDD	0.30910974	0.014815585	20.8638235	4.3488E-45	0.279822133	0.33839735	0.27982213	0.33839735

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Upper Liard		3-Yr Average			Annual	Annual	Annual 3-Yr	
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal		Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)		UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-96	956	1,605	867		1996	7,675	7,406	-
Feb-96	771	947	777		1997	7,165	7,196	-
Mar-96	770	874	771		1998	7,128	7,145	7,249
Apr-96	650	548	648		1999	6,936	6,956	7,099
May-96	547	366	537		2000	7,046	7,024	7,042
Jun-96	650	164	642		2001	6,620	6,627	6,869
Jul-96	336	103	332		2002	6,701	6,661	6,770
Aug-96	458	185	450		2003	7,191	7,225	6,837
Sep-96	500	355	489		2004	7,222	7,334	7,073
Oct-96	539	662	510		2005	7,359	7,535	7,365
Nov-96	748	1,121	697		2006	7,927	7,879	7,583
Dec-96	750	1,361	687		2007	7,608	7,590	7,668
Jan-97	985	1,407	953					
Feb-97	735	885	759					
Mar-97	600	944	580					
Apr-97	591	528	595					
May-97	527	312	532					
Jun-97	485	143	484					
Jul-97	452	84	453					
Aug-97	460	110	474					
Sep-97	498	271	511					
Oct-97	572	660	544					
Nov-97	664	936	667					
Dec-97	597	984	644					
Jan-98	998	1,410	965	928.22				
Feb-98	653	942	661	732.12				
Mar-98	552	843	562	637.65				
Apr-98	564	500	576	606.10				
May-98	517	211	552	540.31				
Jun-98	449	89	463	529.36				
Jul-98	459	66	466	417.01				
Aug-98	494	157	494	472.70				
Sep-98	506	321	505	501.43				
Oct-98	555	561	555	536.58				
Nov-98	687	958	684	682.78				
Dec-98	695	1,253	664	665.04				
Jan-99	908	1,350	893	936.86				
Feb-99	683	1,066	655	691.34				
Mar-99	609	871	610	584.05				
Apr-99	622	506	632	600.78				
May-99	502	372	490	524.62				
Jun-99	477	140	476	474.14				
Jul-99	467	99	464	461.23				
Aug-99	480	128	488	485.38				
Sep-99	482	293	489	501.48				
Oct-99	494	520	506	535.20				
Nov-99	740	940	742	697.67				
Dec-99	473	1,013	512	606.53				
Jan-00	873	1,345	859	905.74				
Feb-00	701	956	705	673.40				
Mar-00	555	750	591	587.86				
Apr-00	606	591	592	599.73				
May-00	547	374	534	525.30				
Jun-00	475	158	469	469.32				
Jul-00	465	84	466	465.58				
Aug-00	485	217	467	483.23				
Sep-00	534	315	535	509.46				
Oct-00	538	576	535	532.00				
Nov-00	592	858	617	681.01				
Dec-00	674	1,223	652	609.13				

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Upper Liard		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-01	771	1,043	845	865.66			
Feb-01	587	1,031	569	642.78			
Mar-01	620	845	629	610.21			
Apr-01	487	536	489	570.72			
May-01	499	367	488	504.05			
Jun-01	482	156	476	473.81			
Jul-01	434	120	425	451.78			
Aug-01	453	121	463	473.00			
Sep-01	452	300	456	493.31			
Oct-01	507	577	502	514.47			
Nov-01	636	975	628	662.34			
Dec-01	694	1,275	657	606.76			
Jan-02	745	1,246	760	821.49			
Feb-02	715	970	714	662.61			
Mar-02	525	991	491	570.64			
Apr-02	580	695	536	538.53			
May-02	554	366	544	522.09			
Jun-02	418	148	414	453.24			
Jul-02	451	122	441	444.18			
Aug-02	463	182	455	462.08			
Sep-02	453	331	448	479.73			
Oct-02	556	515	570	535.60			
Nov-02	655	822	692	645.59			
Dec-02	587	1,118	595	634.61			
Jan-03	814	1,178	849	817.95			
Feb-03	653	965	654	645.60			
Mar-03	619	900	612	577.55			
Apr-03	619	554	615	546.35			
May-03	552	342	549	526.80			
Jun-03	477	180	464	451.47			
Jul-03	477	57	487	451.13			
Aug-03	494	163	492	470.39			
Sep-03	512	330	507	470.65			
Oct-03	499	526	509	527.17			
Nov-03	741	964	736	685.02			
Dec-03	735	1,096	750	667.29			
Jan-04	1,029	1,366	1,009	872.54			
Feb-04	705	881	730	699.32			
Mar-04	635	810	655	586.11			
Apr-04	613	497	626	592.02			
May-04	505	292	516	536.21			
Jun-04	452	74	470	449.58			
Jul-04	487	36	503	477.10			
Aug-04	447	146	451	466.18			
Sep-04	523	371	507	487.38			
Oct-04	570	565	570	549.63			
Nov-04	618	876	639	688.72			
Dec-04	638	1,071	660	668.30			
Jan-05	943	1,330	933	930.19			
Feb-05	625	942	633	672.18			
Mar-05	567	727	611	625.96			
Apr-05	633	465	655	631.75			
May-05	481	257	503	522.53			
Jun-05	441	127	443	459.22			
Jul-05	466	137	452	480.72			
Aug-05	517	162	515	486.05			
Sep-05	585	297	591	534.96			
Oct-05	619	500	638	572.32			
Nov-05	693	758	747	707.31			
Dec-05	790	1,061	815	741.46			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Upper Liard		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-06	954	1,185	987	976.09			
Feb-06	819	1,017	805	722.35			
Mar-06	786	961	762	675.82			
Apr-06	715	528	719	666.29			
May-06	545	371	533	517.48			
Jun-06	515	137	515	476.34			
Jul-06	500	79	503	486.02			
Aug-06	455	172	450	472.07			
Sep-06	480	292	487	528.00			
Oct-06	614	543	620	609.05			
Nov-06	691	1,196	619	668.26			
Dec-06	853	1,050	881	785.10			
Jan-07	954	1,102	1,011	976.86			
Feb-07	732	1,017	718	718.34			
Mar-07	818	1,002	782	718.19			
Apr-07	704	543	703	692.12			
May-07	524	332	523	519.72			
Jun-07	487	123	491	483.06			
Jul-07	495	89	495	483.39			
Aug-07	438	143	442	469.17			
Sep-07	507	315	507	528.12			
Oct-07	539	553	542	599.70			
Nov-07	667	957	664	676.61			
Dec-07	745	1,255	713	802.97			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

UPPER LIARD RESIDENTIAL SUMMARY OUTPUT

Data: 1996:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.85505527
R Square	0.73111952
Adjusted R Square	0.72922599
Standard Error	72.8334677
Observations	144

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	2048233.303	2048233.3	386.115688	2.45835E-42
Residual	142	753269.3907	5304.71402		
Total	143	2801502.694			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	422.519051	10.93452006	38.640841	3.1262E-77	400.903572	444.13453	400.903572	444.13453
MHDD	0.2910576	0.014812222	19.6498267	2.4583E-42	0.261776637	0.32033856	0.26177664	0.32033856

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Watson Lake				3-Yr Average	Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-96	1,147	1,605	1,041		1996	9,084	8,767
Feb-96	955	947	962		1997	8,721	8,758
Mar-96	794	874	795		1998	8,248	8,268
Apr-96	720	548	717		1999	8,299	8,322
May-96	651	366	639		2000	8,714	8,687
Jun-96	562	164	552		2001	8,349	8,357
Jul-96	545	103	541		2002	8,419	8,372
Aug-96	581	185	572		2003	8,489	8,528
Sep-96	616	355	603		2004	8,581	8,713
Oct-96	688	662	654		2005	8,594	8,801
Nov-96	880	1,121	820		2006	8,989	8,933
Dec-96	946	1,361	873		2007	8,890	8,869
Jan-97	1,191	1,407	1,153				8,868
Feb-97	901	885	930				
Mar-97	726	944	702				
Apr-97	706	528	710				
May-97	655	312	661				
Jun-97	567	143	565				
Jul-97	545	84	547				
Aug-97	556	110	572				
Sep-97	592	271	607				
Oct-97	672	660	639				
Nov-97	781	936	785				
Dec-97	831	984	886				
Jan-98	1,054	1,410	1,015	1069.87			
Feb-98	768	942	777	889.53			
Mar-98	702	843	714	736.99			
Apr-98	707	500	721	716.25			
May-98	564	211	605	635.07			
Jun-98	527	89	544	553.46			
Jul-98	524	66	532	539.64			
Aug-98	538	157	538	560.56			
Sep-98	579	321	578	595.84			
Oct-98	664	561	664	652.33			
Nov-98	748	958	745	783.32			
Dec-98	871	1,253	835	864.67			
Jan-99	984	1,350	966	1044.88			
Feb-99	788	1,066	754	820.41			
Mar-99	744	871	746	720.78			
Apr-99	715	506	727	719.43			
May-99	631	372	616	627.58			
Jun-99	547	140	546	551.25			
Jul-99	526	99	523	533.83			
Aug-99	547	128	557	555.66			
Sep-99	625	293	633	605.78			
Oct-99	628	520	643	648.80			
Nov-99	766	940	769	766.18			
Dec-99	797	1,013	843	854.65			
Jan-00	1,139	1,345	1,122	1034.52			
Feb-00	894	956	898	809.80			
Mar-00	654	750	697	719.08			
Apr-00	703	591	686	711.33			
May-00	635	374	620	613.89			
Jun-00	558	158	551	546.70			
Jul-00	547	84	549	534.50			
Aug-00	589	217	568	554.40			
Sep-00	603	315	604	604.65			
Oct-00	664	576	659	655.64			
Nov-00	758	858	788	767.09			
Dec-00	971	1,223	945	874.17			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Watson Lake		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-01	932	1,043	1,019	1035.66			
Feb-01	813	1,031	791	814.56			
Mar-01	727	845	738	727.11			
Apr-01	677	536	679	697.25			
May-01	652	367	639	625.23			
Jun-01	564	156	557	551.17			
Jul-01	538	120	527	533.01			
Aug-01	555	121	567	564.11			
Sep-01	547	300	553	596.32			
Oct-01	652	577	647	649.81			
Nov-01	793	975	783	779.97			
Dec-01	901	1,275	857	881.54			
Jan-02	967	1,246	984	1041.63			
Feb-02	817	970	816	835.09			
Mar-02	725	991	686	707.08			
Apr-02	741	695	689	684.56			
May-02	642	366	630	629.69			
Jun-02	544	148	540	549.42			
Jul-02	542	122	531	535.73			
Aug-02	610	182	602	579.14			
Sep-02	558	331	552	569.57			
Oct-02	682	515	698	668.23			
Nov-02	762	822	805	792.12			
Dec-02	828	1,118	838	879.99			
Jan-03	948	1,178	989	997.07			
Feb-03	770	965	771	792.97			
Mar-03	704	900	696	706.54			
Apr-03	774	554	769	712.27			
May-03	603	342	599	622.65			
Jun-03	556	180	541	546.12			
Jul-03	563	57	575	544.42			
Aug-03	549	163	547	571.98			
Sep-03	609	330	604	569.85			
Oct-03	649	526	662	669.14			
Nov-03	795	964	790	792.69			
Dec-03	968	1,096	986	893.51			
Jan-04	972	1,366	948	973.64			
Feb-04	807	881	837	808.17			
Mar-04	750	810	773	718.13			
Apr-04	746	497	761	739.64			
May-04	588	292	601	610.02			
Jun-04	605	74	627	569.38			
Jul-04	574	36	592	566.02			
Aug-04	565	146	569	572.69			
Sep-04	646	371	628	594.77			
Oct-04	650	565	650	670.08			
Nov-04	779	876	804	799.50			
Dec-04	897	1,071	923	915.60			
Jan-05	1,053	1,330	1,042	992.92			
Feb-05	807	942	816	808.28			
Mar-05	746	727	798	755.29			
Apr-05	714	465	740	756.74			
May-05	627	257	652	617.62			
Jun-05	584	127	588	585.20			
Jul-05	551	137	535	567.18			
Aug-05	565	162	563	559.74			
Sep-05	690	297	696	642.67			
Oct-05	626	500	647	653.08			
Nov-05	735	758	800	797.77			
Dec-05	895	1,061	924	944.23			

Yukon Electrical Company Limited
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Watson Lake		3-Yr Average			Annual	Annual	Annual 3-Yr
Residential	(kWh)	(Watson Lake)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-06	918	1,185	957	982.36			
Feb-06	911	1,017	894	849.14			
Mar-06	916	961	887	819.15			
Apr-06	726	528	730	743.68			
May-06	646	371	632	628.73			
Jun-06	578	137	578	597.43			
Jul-06	587	79	591	572.52			
Aug-06	578	172	573	568.46			
Sep-06	639	292	647	656.70			
Oct-06	664	543	671	656.03			
Nov-06	843	1,196	758	787.14			
Dec-06	983	1,050	1,016	954.30			
Jan-07	972	1,102	1,039	1012.48			
Feb-07	965	1,017	949	886.36			
Mar-07	879	1,002	836	840.17			
Apr-07	751	543	751	740.26			
May-07	690	332	689	658.09			
Jun-07	605	123	609	591.65			
Jul-07	563	89	564	563.09			
Aug-07	577	143	582	572.72			
Sep-07	586	315	587	643.07			
Oct-07	652	553	656	658.10			
Nov-07	843	957	840	799.21			
Dec-07	805	1,255	768	902.43			

Yukon Electrical Company Limited
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WATSON LAKE RESIDENTIAL SUMMARY OUTPUT

Data: 1996:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.93323961
R Square	0.87093618
Adjusted R Square	0.87002728
Standard Error	54.4463342
Observations	144

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	2840582.712	2840582.71	958.230852	5.26882E-65
Residual	142	420945.2704	2964.40331		
Total	143	3261527.982			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	507.415358	8.174051746	62.0763575	8.588E-105	491.2568029	523.573913	491.256803	523.573913
MHDD	0.34276222	0.011072811	30.9553041	5.2688E-65	0.32087337	0.36465108	0.32087337	0.36465108

Yukon Electrical Company Limited
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Watson Lake													12-year
Heating Degree Day (HDD)													"Normal"
Degree Days Below 18.0 °C													HDD
Month	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	(1996-07)
JAN	1,605.2	1,406.6	1,409.7	1,350.2	1,344.8	1,043.4	1,246.3	1,177.5	1,365.6	1,330.3	1,185.2	1,102.4	1,297.3
FEB	947.3	884.8	942.0	1,066.4	956.0	1,031.0	970.3	964.7	881.2	941.8	1,016.7	1,017.3	968.3
MAR	874.3	943.9	843.4	871.4	750.1	844.9	991.4	899.5	809.9	726.9	960.5	1,001.9	876.5
APR	547.7	527.9	500.1	506.4	590.9	535.8	694.8	554.4	497.4	464.8	528.2	543.0	541.0
MAY	366.4	311.8	211.0	372.2	373.8	366.6	365.9	341.6	292.3	256.9	371.1	332.2	330.2
JUN	163.9	142.6	89.0	140.2	158.0	155.5	147.8	179.9	74.1	126.6	136.5	122.6	136.4
JUL	103.3	84.1	65.7	99.4	84.3	120.3	121.6	56.6	35.6	136.9	79.2	88.6	89.6
AUG	185.1	109.6	156.8	127.8	216.9	120.6	181.5	163.0	145.7	162.2	171.7	143.1	157.0
SEP	354.7	271.1	320.7	292.5	314.8	299.6	331.0	330.2	370.7	297.3	292.4	314.7	315.8
OCT	662.2	659.7	561.2	519.8	575.8	577.0	514.8	526.1	565.0	500.3	543.3	553.1	563.2
NOV	1,121.2	935.8	958.1	939.9	858.4	975.2	821.9	963.9	875.5	758.4	1,196.2	956.6	946.8
DEC	1,361.1	983.7	1,252.7	1,013.0	1,222.8	1,275.4	1,117.9	1,095.5	1,070.7	1,061.0	1,050.0	1,255.1	1,146.6
TOTAL	8,292.4	7,261.6	7,310.4	7,299.2	7,446.6	7,345.3	7,505.2	7,252.9	6,983.7	6,763.4	7,531.0	7,430.6	7,368.5

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Whitehorse																					20-year
Heating Degree Day (HDD)																					"Normal"
Degree Days Below 18.0 °C																					HDD
Month	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	(1988-07)
JAN	1,133.2	1,231.3	1,114.4	1,140.7	812.3	1,119.6	1,085.4	1,020.1	1,556.4	1,185.7	1,165.7	1,183.1	1,082.9	722.7	935.6	989.1	1,254.5	1,164.7	1,096.2	912.0	1,095.3
FEB	809.3	997.6	1,083.6	712.1	859.8	841.7	1,124.5	840.1	835.8	656.5	719.1	976.4	735.2	864.1	824.6	756.6	695.3	795.2	821.3	998.8	847.4
MAR	650.0	928.4	667.0	782.3	660.7	693.4	653.9	880.0	805.8	855.4	756.6	734.0	659.2	765.3	921.1	834.5	756.3	613.7	906.3	954.2	773.9
APR	480.0	443.6	458.4	461.7	536.3	417.3	430.8	439.9	526.0	484.0	458.6	508.8	515.6	506.8	653.3	514.3	466.6	453.3	519.1	511.9	489.3
MAY	337.1	275.7	300.8	300.0	378.3	244.1	320.9	250.7	357.3	331.1	270.6	391.9	382.0	390.4	361.6	363.7	272.5	256.6	346.9	322.1	322.7
JUN	186.3	163.4	185.7	159.9	176.8	132.5	166.2	139.0	193.6	148.9	119.5	153.9	172.5	167.3	175.6	192.8	83.7	154.4	173.1	140.5	159.3
JUL	168.1	72.8	98.1	144.2	123.8	96.8	83.7	96.6	124.9	92.8	111.6	108.6	142.1	139.6	130.9	84.4	74.2	132.6	118.4	102.3	112.3
AUG	181.6	99.3	132.9	199.3	176.2	158.0	69.6	198.3	227.3	130.0	189.2	145.7	219.9	139.6	182.8	180.6	101.7	150.8	201.6	154.2	161.9
SEP	359.6	283.3	272.0	289.0	461.1	279.2	334.9	226.5	362.6	282.1	327.8	311.2	354.2	309.0	314.4	359.2	367.5	299.3	295.7	308.4	319.9
OCT	532.3	569.7	606.8	623.6	613.1	478.7	507.0	524.9	679.9	641.0	557.9	499.8	539.2	573.4	444.3	466.7	540.5	534.6	520.5	543.7	549.9
NOV	775.8	905.6	1,114.1	815.9	677.5	732.2	935.9	894.4	975.0	694.0	792.3	792.5	691.2	818.0	582.6	874.6	719.8	774.1	1,162.2	724.6	822.6
DEC	887.2	769.6	1,103.0	903.7	1,150.6	825.6	1,028.9	1,048.6	1,155.8	762.0	1,051.8	844.0	977.8	1,094.6	845.2	911.6	899.5	794.4	824.3	1,069.5	947.4
TOTAL	6,500.5	6,740.3	7,136.8	6,532.4	6,626.5	6,019.1	6,741.7	6,559.1	7,800.4	6,263.5	6,520.7	6,649.9	6,471.8	6,490.8	6,372.0	6,528.1	6,232.1	6,123.7	6,985.6	6,742.2	6,601.9

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

Whitehorse			3-Yr Average		Annual	Annual	Annual 3-Yr
Commercial	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-94	6,431	1,085	6,445		1994	64,142	63,951
Feb-94	5,872	1,125	5,494		1995	63,958	64,016
Mar-94	6,357	654	6,520		1996	65,970	64,337
Apr-94	5,470	431	5,550		1997	64,363	64,824
May-94	4,869	321	4,872		1998	62,718	62,828
Jun-94	4,796	166	4,786		1999	62,814	62,749
Jul-94	4,649	84	4,688		2000	62,473	62,650
Aug-94	4,677	70	4,803		2001	62,690	62,841
Sep-94	4,644	335	4,624		2002	63,828	64,142
Oct-94	4,896	507	4,954		2003	64,208	64,308
Nov-94	5,403	936	5,249		2004	65,827	66,331
Dec-94	6,078	1,029	5,967		2005	65,434	66,085
Jan-95	6,461	1,020	6,564		2006	67,414	66,891
Feb-95	5,710	840	5,720		2007	67,763	67,572
Mar-95	6,048	880	5,904				
Apr-95	5,345	440	5,413				
May-95	4,988	251	5,086				
Jun-95	4,817	139	4,844				
Jul-95	4,726	97	4,747				
Aug-95	4,705	198	4,656				
Sep-95	4,702	227	4,830				
Oct-95	4,871	525	4,905				
Nov-95	5,531	894	5,433				
Dec-95	6,052	1,049	5,914				
Jan-96	6,774	1,556	6,145	6384.58			
Feb-96	6,462	836	6,478	5897.47			
Mar-96	6,062	806	6,019	6147.50			
Apr-96	5,546	526	5,497	5486.20			
May-96	4,953	357	4,905	4954.54			
Jun-96	4,888	194	4,841	4823.77			
Jul-96	4,792	125	4,775	4736.86			
Aug-96	4,754	227	4,665	4708.01			
Sep-96	4,820	363	4,762	4738.56			
Oct-96	5,085	680	4,908	4922.33			
Nov-96	5,831	975	5,624	5435.25			
Dec-96	6,002	1,156	5,718	5866.43			
Jan-97	7,201	1,186	7,077	6595.38			
Feb-97	5,969	657	6,229	6142.61			
Mar-97	5,604	855	5,493	5804.98			
Apr-97	5,719	484	5,726	5545.18			
May-97	4,832	331	4,821	4937.53			
Jun-97	4,922	149	4,936	4873.73			
Jul-97	4,886	93	4,913	4811.73			
Aug-97	4,675	130	4,718	4679.71			
Sep-97	4,756	282	4,807	4799.71			
Oct-97	5,044	641	4,920	4910.79			
Nov-97	5,430	694	5,605	5554.18			
Dec-97	5,326	762	5,578	5736.77			
Jan-98	6,537	1,166	6,441	6554.53			
Feb-98	5,662	719	5,837	6181.55			
Mar-98	5,721	757	5,745	5751.99			
Apr-98	5,190	459	5,231	5484.77			
May-98	4,616	271	4,687	4804.28			
Jun-98	4,683	120	4,738	4838.18			
Jul-98	5,044	112	5,045	4910.86			
Aug-98	4,612	189	4,575	4652.75			
Sep-98	4,991	328	4,980	4849.96			
Oct-98	4,860	558	4,849	4892.28			
Nov-98	5,372	792	5,413	5547.34			
Dec-98	5,430	1,052	5,287	5527.93			

Yukon Electrical Company Limited
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Whitehorse			3-Yr Average		Annual	Annual	Annual 3-Yr
Commercial	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-99	6,313	1,183	6,193	6570.40			
Feb-99	5,783	976	5,608	5891.40			
Mar-99	5,639	734	5,693	5643.41			
Apr-99	5,332	509	5,306	5421.22			
May-99	4,621	392	4,527	4677.99			
Jun-99	4,954	154	4,961	4878.24			
Jul-99	4,695	109	4,700	4885.85			
Aug-99	4,816	146	4,838	4710.54			
Sep-99	4,779	311	4,791	4859.45			
Oct-99	4,769	500	4,837	4868.58			
Nov-99	5,703	793	5,744	5587.34			
Dec-99	5,411	844	5,552	5472.55			
Jan-00	6,273	1,083	6,289	6307.77			
Feb-00	5,621	735	5,774	5739.40			
Mar-00	5,375	659	5,532	5656.46			
Apr-00	5,138	516	5,102	5213.21			
May-00	4,912	382	4,832	4681.60			
Jun-00	5,038	173	5,020	4906.39			
Jul-00	5,242	142	5,202	4982.16			
Aug-00	4,601	220	4,522	4645.27			
Sep-00	4,692	354	4,645	4805.32			
Oct-00	5,078	539	5,093	4926.38			
Nov-00	5,167	691	5,346	5500.81			
Dec-00	5,335	978	5,294	5377.76			
Jan-01	6,243	723	6,751	6411.12			
Feb-01	5,377	864	5,354	5578.29			
Mar-01	5,579	765	5,590	5604.99			
Apr-01	5,258	507	5,234	5214.14			
May-01	4,877	390	4,785	4714.29			
Jun-01	5,070	167	5,059	5013.63			
Jul-01	4,861	140	4,824	4908.48			
Aug-01	4,692	140	4,722	4694.41			
Sep-01	4,703	309	4,718	4717.81			
Oct-01	4,779	573	4,747	4892.50			
Nov-01	5,169	818	5,175	5421.53			
Dec-01	6,082	1,095	5,881	5575.77			
Jan-02	6,644	936	6,861	6633.90			
Feb-02	5,659	825	5,690	5605.85			
Mar-02	5,661	921	5,461	5527.52			
Apr-02	5,830	653	5,607	5314.41			
May-02	4,995	362	4,942	4852.75			
Jun-02	4,986	176	4,964	5014.49			
Jul-02	4,839	131	4,814	4946.50			
Aug-02	5,123	183	5,094	4779.74			
Sep-02	4,700	314	4,708	4690.10			
Oct-02	4,784	444	4,928	4922.79			
Nov-02	5,350	583	5,677	5399.26			
Dec-02	5,257	845	5,396	5523.84			
Jan-03	6,128	989	6,273	6628.27			
Feb-03	5,478	757	5,602	5548.64			
Mar-03	5,566	835	5,483	5511.37			
Apr-03	5,645	514	5,611	5483.87			
May-03	4,805	364	4,749	4825.13			
Jun-03	5,203	193	5,157	5060.17			
Jul-03	4,881	84	4,919	4852.19			
Aug-03	4,837	181	4,811	4876.04			
Sep-03	4,986	359	4,933	4786.07			
Oct-03	4,918	467	5,032	4902.33			
Nov-03	5,720	875	5,649	5500.45			
Dec-03	6,041	912	6,090	5789.28			

Yukon Electrical Company Limited
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Whitehorse			3-Yr Average		Annual	Annual	Annual 3-Yr
Commercial	(kWh)	(Whitehorse)	Normalized	Mthly Normal	Actual	Normalized	Avg Mthly Normal
monthly	UPC	MHDD	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)	UPC (kWh)
Jan-04	6,337	1,255	6,120	6417.93			
Feb-04	5,894	695	6,102	5797.90			
Mar-04	5,728	756	5,752	5565.33			
Apr-04	5,684	467	5,715	5644.29			
May-04	4,928	273	4,996	4895.59			
Jun-04	5,266	84	5,369	5163.46			
Jul-04	5,394	74	5,445	5059.41			
Aug-04	5,204	102	5,286	5063.92			
Sep-04	4,980	368	4,915	4851.64			
Oct-04	4,913	541	4,926	4961.88			
Nov-04	5,561	720	5,701	5675.64			
Dec-04	5,938	900	6,003	5829.94			
Jan-05	6,556	1,165	6,461	6284.56			
Feb-05	5,843	795	5,914	5872.37			
Mar-05	5,588	614	5,806	5680.51			
Apr-05	5,459	453	5,509	5611.60			
May-05	5,235	257	5,325	5023.29			
Jun-05	4,929	154	4,935	5154.04			
Jul-05	5,082	133	5,054	5139.38			
Aug-05	5,052	151	5,067	5054.71			
Sep-05	5,118	299	5,146	4997.95			
Oct-05	5,031	535	5,052	5003.12			
Nov-05	5,836	774	5,902	5750.56			
Dec-05	5,706	794	5,915	6002.74			
Jan-06	6,656	1,096	6,654	6411.80			
Feb-06	5,781	821	5,817	5944.05			
Mar-06	6,407	906	6,226	5928.21			
Apr-06	5,968	519	5,928	5717.29			
May-06	4,767	347	4,734	5018.46			
Jun-06	5,294	173	5,275	5193.31			
Jul-06	5,295	118	5,287	5262.15			
Aug-06	5,016	202	4,962	5105.04			
Sep-06	5,016	296	5,049	5036.57			
Oct-06	5,304	521	5,344	5107.36			
Nov-06	5,726	1,162	5,264	5621.98			
Dec-06	6,182	824	6,350	6089.44			
Jan-07	6,820	912	7,069	6728.23			
Feb-07	6,053	999	5,847	5859.06			
Mar-07	6,467	954	6,221	6084.56			
Apr-07	6,024	512	5,993	5809.90			
May-07	5,043	322	5,043	5034.21			
Jun-07	5,136	141	5,162	5124.25			
Jul-07	5,526	102	5,540	5293.65			
Aug-07	4,958	154	4,969	4999.24			
Sep-07	5,045	308	5,061	5085.27			
Oct-07	4,997	544	5,005	5133.82			
Nov-07	5,821	725	5,954	5706.56			
Dec-07	5,873	1,070	5,707	5990.54			

Yukon Electrical Company Limited
2008 - 2009 General Rate Application

WHITEHORSE COMMERCIAL SUMMARY OUTPUT

Data: 1994:1 - 2007:12

<i>Regression Statistics</i>	
Multiple R	0.81085088
R Square	0.65747916
Adjusted R Square	0.65541578
Standard Error	335.348684
Observations	168

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	35834082.04	35834082	318.642038	1.8196E-40
Residual	166	18668150.81	112458.74		
Total	167	54502232.85			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	4628.54159	49.34457725	93.8004103	1.01E-145	4531.117746	4725.96544	4531.11775	4725.96544
MHDD	1.36250504	0.076328475	17.8505473	1.8196E-40	1.211805331	1.51320476	1.21180533	1.51320476

1 Section 3 – Purchase Power

2 Overview

3 The purchase power included in this application is outlined in Schedule 3.1 and is:

	2006 Actual	2007 Actual	Test Period 2008	2009
	(\$000)			
Primary Purchase Power	17,227	17,436	17,790	18,003
Secondary Purchase Power	1,130	1,194	1,028	424
Shortfall Rider J	4,882	5,017	5,028	5,067
Total Purchased Power	23,239	23,647	23,846	23,494

4 The purchased power costs are forecast to remain flat over the test period.

5 Background

6 Approximately 90% of the supply required by Yukon Electrical is purchased from Yukon
7 Energy. This percentage is consistent for each of the years during the test period. The
8 purchases are for Yukon Electrical's customers on the Whitehorse-Aishihik-Faro (WAF)
9 Grid as well as Yukon Electrical customers that are on the Mayo-Dawson Grid.

10 The amounts for the Shortfall Rider J relate to Yukon Energy's Shortfall Rider J and are
11 a flow through for Yukon Electrical. That is, these amounts are fully collected from
12 Yukon Electrical's customers (refer to Schedule 2.1).

13 The Fish Lake hydro generation in the test period outlined in Schedule 3.2, is based on
14 the average generation over the last 10 years at Fish Lake adjusted for estimated
15 downtime in the test period, for required rebuilds.



THE YUKON ELECTRICAL COMPANY LIMITED

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1 **Deferral Account**

2 (a) Rate from Yukon Energy

3 The cost of purchased power in this application is based on Yukon Energy's
4 rates that are currently in place for primary energy and secondary sales and are
5 outlined on Schedule 3.1, lines 6 and 7. These rates do not include any
6 adjustment to the rates equal to the approved run out rate for non-governmental
7 residential service for the hydro zone. Subsequent increases or decreases to
8 these rates for 2008 and thereafter will be flowed through to Yukon Electrical's
9 customers.

10 (b) Diesel Contingency Fund

11 Given that WAF diesel may be on the margin during certain months in the test
12 period, Yukon Electrical requests the continuation of the diesel contingency fund
13 mechanism as approved during the 1996/1997 GRA. For purposes of this filing,
14 Yukon Electrical has updated its annual forecast of hydro generation to 6.2
15 GW.h.

16 **Forecast Process**

17 The energy component of the purchase power cost is determined by applying Yukon
18 Energy's wholesale rate to the total forecast energy (KWh) purchases. Total forecast
19 purchases are determined by applying an estimated line loss percentage to Yukon
20 Electrical's sales load forecast that is discussed in Section 2. Overall line losses are
21 determined based on using a five year historical average of 6.2%.

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Schedule of Purchase Power

Schedule 3.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Purchases (MWh)					
2	Primary Energy		251,861	254,914	260,093	263,202
3	Secondary Sales		21,555	23,566	16,853	6,954
4		S.3.2 L.10	273,416	278,480	276,946	270,156
5	Purchase Power Rates					
6	Primary Energy Charge (\$ per KWh)		0.0684	0.0684	0.0684	0.0684
7	Secondary Sales (\$ per KWh)		0.0524	0.0507	0.061	0.061
8	Shortfall Rider J		14.93%	14.93%	14.93%	14.93%
9	Purchase Power Expense (\$000s)					
10	Primary Energy Expense	L.2 x L.6	17,227	17,436	17,790	18,003
11	Secondary Energy Expense	L.3 x L.7	1,130	1,194	1,028	424
12	Shortfall Rider J	S.2.1 L.44	4,882	5,017	5,028	5,067
13	Total Purchase Power Expense	S.1.1 L.7	23,239	23,647	23,846	23,494

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Schedule of Energy Losses
(MW.h)

Schedule 3.2

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Sales and Losses					
2	Total energy sales (MWh)	S.2.1 L.39	285,205	291,752	287,255	279,497
3	Losses and company used - (MWh)		18,591	18,087	17,810	17,329
4	Losses -%		6.5%	6.2%	6.2%	6.2%
5	Total generation and purchases (MWh)		<u>303,796</u>	<u>309,839</u>	<u>305,065</u>	<u>296,826</u>
6	Sources - MWh					
7	Hydro generation		8,216	9,025	6,192	6,192
8	Hydro grid standby diesel generation	S.4.1 L.1	39	131	44	44
9	Diesel generation	S.4.1 L.1	22,125	22,203	21,883	20,433
10	Purchases	S.3.1 L.4	<u>273,416</u>	<u>278,480</u>	<u>276,946</u>	<u>270,156</u>
11			<u>303,796</u>	<u>309,839</u>	<u>305,065</u>	<u>296,826</u>
12	Sources - %					
13	Hydro generation		2.7%	2.9%	2.0%	2.1%
14	Diesel generation		7.3%	7.2%	7.2%	6.9%
15	Purchases		<u>90.0%</u>	<u>89.9%</u>	<u>90.8%</u>	<u>91.0%</u>
			100.0%	100.0%	100.0%	100.0%



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Section 4 – Diesel Fuel Costs

Overview

The diesel fuel costs included in this application are outlined in Schedule 4.1 and are:

	2006 Actual	2007 Actual	Test Period 2008 2009
			(\$000)
Diesel Fuel Costs	<u>2,026</u>	<u>2,054</u>	<u>5,715</u> <u>5,299</u>

The forecast diesel fuel costs increase of \$3,661,000 in 2008 is mainly due the inclusion of the Rider F fuel rider in base rates for the test period. Prior to 2008, Yukon Electrical recovered the difference between the forecast 1997 fuel rates and the current fuel rate using Rider F. In 2007 this recovery was \$3,172,000. The forecast diesel fuel costs decrease by \$416,000 or 7.28% in 2009 due to reduced diesel generation in Pelly Crossing as a result of its interconnection to the WAF Grid.

Please refer to Schedule 4.1 for the details associated with the calculation of diesel fuel costs for 2006 to 2009.

Background

Diesel fuel is purchased for each of the six diesel plants operated by Yukon Electrical. Typically, Yukon Electrical conducts a fuel tendering process annually in which a vendor is selected to be the exclusive provider of fuel to Yukon Electrical. The current fuel arrangement is due to be retendered in the fall of 2008.

Yukon Electrical also has some generation associated with standby units at Haines Junction, Carmacks, Carcross, Teslin and Ross River. These units generate power in the event of an interruption of power from the two grids.

1 **Forecasting Fuel Costs**

2 Fuel costs are recorded as the diesel fuel is consumed by the diesel plant.

3 Diesel fuel costs are a function of forecast sales, line losses, plant efficiencies, and
4 delivered fuel prices.

5 Line Losses

6 As outlined in Section 3, line losses are calculated based on a five year average.

7 Plant Efficiencies

8 Plant efficiencies are based on the average efficiencies of the previous five years
9 adjusted for any changes due to the replacement of units.

10 Forecasted Fuel Prices

11 Diesel price forecasts for each community are based on the current prices in place at
12 January 2008. The respective fuel prices for each location are shown in Schedule 4.2

13 **Deferral Accounts**

14 (a) Diesel Fuel Price Rider

15 The variance between actual and forecast fuel prices, as outlined in Schedule
16 4.2, are refunded to or recovered from customers through a diesel fuel price rider
17 (Rider F).



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

1 (b) Increased Fuel Costs Associated with Pelly Crossing

2 Yukon Electrical's forecast generation in the test period assumes the connection
3 of Pelly Crossing to the main grid effective November 1, 2008. Given the
4 uncertainties associated with this new service, Yukon Electrical is seeking a
5 deferral account for the incremental costs associated with a change to this
6 assumption.

7 The deferral account would be based on:

	2008	2009
Forecast Use of Diesel Fuel in litres at Pelly Crossing Subsequent to November 1, 2008	500 litres	3,000 litres
Forecast Heat Rate	3.62	3.62
Actual Generation at Pelly Crossing Subsequent to November 1, 2008		
Forecast Rate		
Generation	89.33¢ per litre	89.33¢ per litre
Purchased Power	.0684¢ per kwh	.0684¢ per kwh

8

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Diesel Generation and Fuel Summary
(\$000s)

Schedule 4.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Total Diesel Generation (MWh)	S.3.2 L.8 & 9	<u>22,164</u>	<u>22,334</u>	<u>21,927</u>	<u>20,477</u>
2	Fuel heat rate (KWh per litre)		<u>3.69</u>	<u>3.67</u>	<u>3.71</u>	<u>3.71</u>
3	Litres of fuel (000s)		<u>6,007</u>	<u>6,088</u>	<u>5,915</u>	<u>5,516</u>
4	Fuel costs (\$000s)		4,886	5,226	5,715	5,299
5	Fuel Variance		(2,860)	(3,172)	-	-
6	Fuel Expense	S.1.1 L.8	<u>2,026</u>	<u>2,054</u>	<u>5,715</u>	<u>5,299</u>
7	Average cost (cents per litre)	L.3 / L.4	<u>81.34</u>	<u>85.84</u>	<u>96.61</u>	<u>96.07</u>

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Diesel Information

Schedule 4.2

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
	<u>Average Cost (in cents per litre)</u>					
1	Watson Lake		74.62	78.16	87.48	87.48
2	Beaver Creek		70.86	75.51	81.52	81.52
3	Destruction Bay		72.43	77.75	83.13	83.13
4	Old Crow		157.36	167.16	193.41	193.41
5	Pelly Crossing		76.50	85.48	89.33	89.33
6	Swift River		80.65	83.58	92.44	92.44
7	Standby		50.42	66.40	70.00	70.00
	<u>Generation (MWh)</u>					
8	Watson Lake		14,116	14,124	14,148	14,322
9	Beaver Creek		2,034	1,957	2,021	2,041
10	Destruction Bay		1,636	1,720	1,722	1,741
11	Old Crow		1,811	1,853	1,967	1,993
12	Pelly Crossing		2,250	2,272	1,746	11
13	Swift River		276	277	278	326
14	Standby		40	131	44	44
15		S.4.1 L.1	22,164	22,334	21,927	20,477
	<u>Net Heat Rate (KWh / litre)</u>					
17	Watson Lake		3.84	3.80	3.82	3.82
18	Beaver Creek		3.60	3.53	3.56	3.56
19	Destruction Bay		3.30	3.34	3.41	3.41
20	Old Crow		3.64	3.52	3.56	3.56
21	Pelly Crossing		3.70	3.39	3.62	3.62
22	Swift River		2.99	3.04	2.99	2.99
23	Standby		3.00	3.00	3.50	3.50
	<u>Litres Consumed (000s)</u>					
25	Watson Lake		3,696	3,707	3,704	3,749
26	Beaver Creek		564	551	567	573
27	Destruction Bay		479	501	505	510
28	Old Crow		514	528	552	559
29	Pelly Crossing		633	654	482	3
30	Swift River		91	91	93	109
31	Standby		30	55	13	13
		S.4.1 L.3	6,007	6,088	5,915	5,516

1 Section 5 – Operations and Maintenance Expenses

2 Overview

3 Total operations and maintenance expenses included in this application, as outlined and
4 explained in detail in Schedules 5.1, 5.2 and 5.3, are as follows:

	2006 Actual	2007 Actuals (\$000)	Test Period	
			2008	2009
Production	1,196	1,311	1,594	1,600
Distribution	1,781	1,890	2,453	2,606
General	136	147	164	173
Public Information	155	93	128	135
Customer Accounting	1,506	1,683	1,791	2,067
Administration and General	<u>2,196</u>	<u>2,165</u>	<u>2,628</u>	<u>2,736</u>
Total Operation and Maintenance	<u><u>6,969</u></u>	<u><u>7,290</u></u>	<u><u>8,758</u></u>	<u><u>9,317</u></u>

5 Forecast Process

6 Yukon Electrical's forecast of operations and maintenance involves a review of business
7 requirements needed for the provision of safe and reliable electricity service for the test
8 period and the consideration of reasonable information available at the time the forecast
9 is developed. A separate forecast is developed for labour and non-labour costs.



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

1 **Labour Costs**

2 Over the past number of years, identifying, competing for, securing and retaining
3 qualified personnel has become one of the most challenging and important ongoing
4 activities of Yukon Electrical. Due to unprecedented demand for labour, due to western
5 Canadian construction levels, as well as, pending work force retirements, skilled labour
6 shortages have forced most employers, including utilities, to become very aggressive
7 with respect to their compensation and quality of work/life packages. In dealing with a
8 tight "south of 60" labour market, Yukon Electrical has had to respond to these
9 competitive market forces and the reluctance of people to move to the north, when high
10 paying jobs are available in the south, by developing and offering a compensation
11 package that provides a fair compensation for the real and/or perceived remoteness of
12 the north, while at the same time building upon the inherent benefits of living in a
13 smaller northern community.

14 The 2008 inflation increases had been covered by the 2007-2008 collective agreement.
15 As such, the first step in dealing with the compensation issues identified above begins
16 with the fall 2008 negotiation of the 2009-2010 collective agreement between Yukon
17 Electrical and Yukon Electrical's employee association. This agreement is forecast to
18 result in an average job class wage increase of 9.5% for 2009. This increase is
19 required to bring Yukon Electrical's 2009 wages in line with the 2008-2009 wages
20 negotiated between ATCO Electric and its employee association. Yukon Electrical
21 draws its trade personnel from ATCO Electric as well as other southern based utilities.

22 The second step of the compensation package deals with the compensation required to
23 attract and retain staff in Yukon Electrical's northern communities. This proposal
24 includes an increase in 2008 and 2009 for certain job classifications that are technical in
25 nature and are mandatory to delivering safe and reliable service to customers. These
26 classifications have been determined to be in demand and difficult to fill. As well,
27 commencing in 2009, employees will also be entitled to additional travel benefits.



THE YUKON ELECTRICAL COMPANY LIMITED

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The total labour costs are calculated by multiplying the number of staff per job class by the rate of pay for each job class. These labour costs are then distributed to operations and maintenance accounts or capital accounts depending on the nature of work being performed by the staff in that job class.

Vacancy Rate

A vacancy rate of 4.0% (2.25 FTE's) has been applied to all labour expenses for 2008 and 1.7% (1.0 FTE) for 2009. The drop in the vacancy rate in 2009 is a result of only 1 FTE being forecast to be added in 2009. The Company continues with its efforts to fill these positions as soon as possible. Given the current vacancy status as well as the recent changes to the compensation package, a vacancy rate equivalent to 2.25 FTE's in 2008 and declining to the equivalent of 1 FTE, is reasonable for purposes of this application.

Non-Labour Costs

Non-labour costs are forecast in two parts, (i) ongoing operational and administrative activities, and (ii) new programs or projects. For non-labour costs, an Alberta based inflation rate of 5.0% has been applied for each of the test years.

Ongoing operational and administrative activities are based on historic spending requirements which are then adjusted for known changes in work to be completed in the forecast period. These costs are shown and explained in detail in Schedule 5.2.

Affiliate Costs

As noted above as well as in the Yukon Electrical's Organizational Chart, Yukon Electrical outsources certain major administrative functions to affiliate companies, such as ATCO Electric, to take advantage of the economies associated with the scope and scale of services available from a larger utility. The cost of these services is detailed in



THE YUKON ELECTRICAL COMPANY LIMITED

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1 Schedule 5.3 and is based on a fully allocated cost methodology that does not contain
2 any element of profit or return.

3 In addition to the labour support provided from ATCO Electric, Yukon Electrical
4 purchases information technology and billing system services from ATCO I-Tek and
5 ATCO I-Tek Business Services respectively.¹ Yukon Electrical is aware the costs
6 associated with these services are being reviewed as part of a benchmarking process
7 and that a final report is to be filed by ATCO with the Alberta Utilities Commission
8 (AUC). Yukon Electrical will update the placeholders included in this application once
9 the appropriate approvals have been finalized and approved by the AUC.

¹ Please refer to Schedule 5.3 lines 9 and 11.

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operations and Maintenance Expenses
(\$000s)

Schedule 5.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Production					
2	62600 - Hydro Generation	S.5.2 L.3	87	99	96	129
3	64000 - Supervision and Engineering Diesel	S.5.2 L.12	44	53	58	64
4	64600 - Diesel Generation	S.5.2 L.23	271	312	394	423
5	82600 - Hydro Maintenance	S.5.2 L.34	8	37	31	33
6	84600 - Diesel Maintenance	S.5.2 L.41	785	810	1,016	951
7			<u>1,196</u>	<u>1,311</u>	<u>1,594</u>	<u>1,600</u>
8	Distribution					
9	87000 - Supervision	S.5.2 L.54	188	230	229	250
10	87100 - Brushing	S.5.2 L.62	238	297	341	359
11	87200 - Vehicle Depreciation		(84)	(94)	(100)	(105)
12	87300 - Maintenance	S.5.2 L.73	927	936	1,386	1,514
13	87310 - Service to Outside Parties		96	101	106	112
14	87400 - Underground line maintenance	S.5.2 L.84	104	91	122	131
15	87500 - Meter and Meter Testing	S.5.2 L.93	145	108	115	75
16	87700 - Transformer Repair and Replacement	S.5.2 L.101	20	34	28	30
17	87800 - Street Light Maintenance	S.5.2 L.107	148	186	226	241
18			<u>1,781</u>	<u>1,890</u>	<u>2,453</u>	<u>2,606</u>
19	General					
20	88400 - Communication		11	8	13	14
21	88800 - Maintenance Company-owned Houses		28	29	33	34
22	88900 - Maintenance Warehouse and Office	S.5.2 L.118	97	110	118	125
23			<u>136</u>	<u>147</u>	<u>164</u>	<u>173</u>
24	Public information					
25	70100 - Public Information Administration	S.5.2 L.126	101	64	100	106
26	70200 - General Public Information	S.5.2 L.134	54	29	28	30
27			<u>155</u>	<u>93</u>	<u>128</u>	<u>135</u>
28	Customer accounting					
29	71000 - Supervision	S.5.2 L.138	34	31	35	49
30	71100 - Customer Applications and Service Orders	S.5.2 L.145	283	335	407	450
31	71200 - Meter Reading	S.5.2 L.155	391	464	436	471
32	71300 - Customer Billing and Accounting	S.5.2 L.167	474	513	572	646
33	71400 - Revenue Collections	S.5.2 L.177	167	181	162	258
34	71500 - Collection of Delinquent Accounts	S.5.2 L.188	121	124	142	158
35	71800 - Provision for Uncollectible Accounts		36	36	36	36
36			<u>1,506</u>	<u>1,683</u>	<u>1,791</u>	<u>2,067</u>
37	Administration and general					
38	72100 - Administrative	S.5.2 L.196	1,149	1,176	1,331	1,399
39	72200 - Administrative Corporate	S.5.2 L.203	27	14	30	32
40	72300 - Insurance	S.5.2 L.210	194	190	231	244
41	72400 - Injuries & Damages		75	75	86	86
42	72500 - Employee Expenses	S.5.2 L.214	208	229	222	312
43	72600 - Training and Safety	S.5.2 L.220	247	297	449	484
44	72700 - Relocation	S.5.2 L.233	190	93	182	77
45	72800 - Miscellaneous General		2	3	2	3
46	72900 - Audit/Legal Fees & Special Studies	S.5.2 L.242	106	88	95	100
47			<u>2,196</u>	<u>2,165</u>	<u>2,628</u>	<u>2,736</u>
48						
49	Total operations and maintenance expenses	S.1.1 L.9	<u>6,969</u>	<u>7,290</u>	<u>8,758</u>	<u>9,317</u>

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operation and Maintenance Expenses**

**Schedule 5.2
Page 1 of 5**

Line No.	Description	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Production				
2					
3	<u>62600 - Hydro Generation</u>	87	99	96	129
4					
5	Costs increase from 2006 to 2007 mainly due to increased Fish Lake inspection and maintenance costs due to water				
6	re-licensing (\$39). This increase is offset by a one-time catch-up in 2006 of 1998 to 2006 water license fees to the				
7	government (\$27).				
8					
9	Costs increased from 2008 to 2009 mainly due to additional inspection and reporting to meet the requirements				
10	of the new water license.				
11					
12	<u>64000 - Supervision and Engineering Diesel</u>	44	53	58	64
13					
14	Costs increase from 2006 to 2007 mainly due to fringe benefit defined benefit pension funding (\$5) and labour inflation (\$4).				
15	The fringe benefit increase relates to increases for the defined benefit pension plan. This is due to the fact that contributions				
16	of 27% of pensionable earnings are now required as a result of the actuarial valuation that was completed for the years				
17	2007-2009.				
18					
19	Costs increase from 2007 to 2008 mainly due to inflation.				
20					
21	Costs increase from 2008 to 2009 mainly due to inflation.				
22					
23	<u>64600 - Diesel Generation</u>	271	312	394	423
24					
25	Costs increase from 2006 to 2007 mainly due to an increase in fringe benefits (\$23) and labour (\$18).				
26	For an explanation of the fringe increase please refer to Account 64000.				
27					
28	Cost increased from 2007 to 2008 mainly due to reduction in vacancies from employees returning off sick leave				
29	and apprentice training (\$30), inflation (\$25), as well as new attraction and retention pay (\$15), fringe benefits (\$8),				
30	and non-labour inflation (\$4).				
31					
32	Costs increased from 2008 to 2009 mainly due to labour inflation (\$22), other inflation (\$4), and fringe benefits (\$3).				
33					
34	<u>82600 - Hydro Maintenance</u>	8	37	31	33
35					
36	Costs increase from 2006 to 2007 mainly due to inspection and reporting relating to Fish Lake.				
37					
38	Costs decrease from 2007 to 2008 mainly due to lower labour (\$13) and fringe benefits (\$4) for inspection and reporting				
39	of turbines 1 and 2, offset by non-labour inflation and an increase for property maintenance and upkeep (\$11).				
40					
41	<u>84600 - Diesel Maintenance</u>	785	810	1,016	951
42					
43	Costs increase from 2006 to 2007 mainly due to an increase in fringe benefits (\$25).				
44	For an explanation of the fringe increase please refer to Account 64000.				
45					
46	Costs increase from 2007 to 2008 mainly due to scheduled diesel overhaul costs (\$167). These costs are determined by				
47	scheduled overhauls as prescribed by manufacturer's specifications that vary by type of unit and hours operated.				
48	This increase is also due to new attraction and retention pay (\$25), and labour inflation (\$14).				
49					
50	Costs decrease from 2008 to 2009 mainly due to varying costs for scheduled overhauls as prescribed by				
51	manufacturer's specifications that are determined by type of unit and hours operated.				

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operation and Maintenance Expenses**

**Schedule 5.2
Page 2 of 5**

Line No.	Description	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
52	Distribution				
53					
54	<u>87000 - Supervision</u>	188	230	229	250
55					
56	Costs increase from 2006 to 2007 mainly due an increase in fringe benefits (\$24). For an explanation of this increase				
57	please refer to Account 64000. This increase is also due to costs associated with after hours telephone answering				
58	service (\$14), and labour inflation (\$4).				
59					
60	Costs increase from 2008 to 2009 mainly due to labour inflation (\$13), attraction and retention pay (\$6) and fringe benefits (\$2).				
61					
62	<u>87100 - Brushing</u>	238	297	341	359
63					
64	Costs increase from 2006 to 2007 mainly due to an enhanced brushing program (\$40), labour cost increase due				
65	to increased brushing activity (\$11), and increase in fringe benefits (\$8). For an explanation of this fringe				
66	increase please refer to Account 64000.				
67					
68	Costs increase from 2007 to 2008 due to increases to the labour compliment and labour inflation (\$24), non-labour				
69	inflation (\$12), fringe benefits (\$4), and new attraction and retention pay (\$4).				
70					
71	Costs increase from 2008 to 2009 mainly due to inflation.				
72					
73	<u>87300 - Maintenance</u>	927	936	1,386	1,514
74					
75	Costs increase from 2007 to 2008 due mainly to additional labor as a result of new hires (\$136), vacancy reductions (\$120),				
76	new attraction and retention pay (\$75), fringe benefits (\$59), annual labour inflation (\$46), and non-labour inflation (\$14).				
77	The cost increases are for new and more extensive programs. These programs relate to Core certification and environmental				
78	requirements. Many of these programs are mandated by outside agencies or are a result of changes to				
79	industry standard. The increases also relate to enhanced patrols of lines and the introduction of planned maintenance programs				
80	designed to support system performance.				
81					
82	Costs increase from 2008 to 2009 mainly due to inflation.				
83					
84	<u>87400 - Underground Line Maintenance</u>	104	91	122	131
85					
86	Costs decrease from 2006 to 2007 mainly due to a comprehensive inspection done in 2006.				
87					
88	Costs increase from 2007 to 2008 mainly due to annual labour inflation (\$14), new attraction and retention pay (\$7),				
89	non-labour inflation (\$6), and fringe benefits (\$4)				
90					
91	Costs increase from 2008 to 2009 mainly due to inflation.				
92					
93	<u>87500 - Meter and Meter Testing</u>	145	108	115	75
94					
95	Costs decrease from 2006 to 2007 mainly due to less one-time costs related to Automated Metering				
96	Reading (AMR) feasibility study (\$19) and less miscellaneous material issues and payables (\$18).				
97					
98	Costs increase from 2007 to 2008 mainly due to inflation.				
99					
100	Costs decrease from 2008 to 2009 mainly due to savings from AMR.				

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operation and Maintenance Expenses**

**Schedule 5.2
Page 3 of 5**

Line No.	Description	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
101	<u>87700 - Transformer Repair and Replacement</u>	20	34	28	30
102					
103	Costs increase from 2006 to 2007 mainly due to higher unplanned repairs to failed transformers.				
104					
105	Costs decrease from 2007 to 2008 mainly due to normalization in allowance for unplanned repairs to failed transformers.				
106					
107	<u>87800 - Street Light Maintenance</u>	148	186	226	241
108					
109	Costs increase from 2006 to 2007 mainly due to increases in number of lights and age of street light infrastructure				
110	as well as maintenance for new types of lights such as waterfront decorative lighting (\$31), and increase in fringe benefits (\$7).				
111	For an explanation of the fringe increase please refer to Account 64000.				
112					
113	Costs increase from 2007 to 2008 mainly due to annual labour inflation as increased maintenance requirements (\$19),				
114	new attraction and retention pay (\$9), non-labour inflation (\$8), and fringe benefits (\$4).				
115					
116	General				
117					
118	<u>88900 - Maintenance Warehouse and Office</u>	97	110	118	125
119					
120	Costs increase from 2006 to 2007 mainly due to heating fuel cost inflation.				
121					
122	Costs increase from 2007 to 2008 mainly due to heating fuel cost inflation (\$5) and labour inflation (\$3).				
123					
124	Public Information				
125					
126	<u>70100 - Public Information Administration</u>	101	64	100	106
127					
128	Costs decrease for 2006 to 2007 mainly due to decrease labour due to a vacancy in the marketing and communications manager position.				
129					
130					
131	Costs increase from 2007 to 2008 mainly due to increased outsourcing costs for website development/maintenance and				
132	other communications costs.				
133					
134	<u>70200 - General Public Information</u>	54	29	28	30
135					
136	Costs decrease from 2006 to 2007 due to one-time commitments for 2007 Canada Winter Games funding in 2006.				
137					
138	<u>71000 - Supervision</u>	34	31	35	49
139					
140	Costs increase from 2008 to 2009 due to the return to normal staffing levels after billing system implementation complete (\$12)				
141	as well as labour inflation (\$2).				
142					

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operation and Maintenance Expenses**

**Schedule 5.2
Page 4 of 5**

Line No.	Description	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
143	Customer accounting				
144					
145	<u>71100 - Customer Applications and Service Orders</u>	283	335	407	450
146					
147	Costs increase from 2006 to 2007 mainly due to an increase in fringe benefits (\$32). For an explanation of this fringe increase				
148	please refer to Account 64000. This increase is also due to labour inflation (\$15), and non-labour inflation (\$5).				
149					
150	Costs increase from 2007 to 2008 mainly due to labour inflation (\$41), new attraction and retention pay (\$23), fringe				
151	benefits (\$5) and other inflation (\$3)				
152					
153	Costs increase from 2008 to 2009 mainly due to labour inflation.				
154					
155	<u>71200 - Meter Reading</u>	391	464	436	471
156					
157	Costs increase from 2006 to 2007 mainly due to increase in fringe benefits (\$38). For an explanation of this fringe increase				
158	please refer to Account 64000. This increase is also due to higher labour costs (\$23), annual labour inflation (\$10),				
159	and non-labour inflation (\$2).				
160					
161	Costs decrease from 2007 to 2008 mainly due to utilization of non-journeyman labour for meter reading services				
162	as an additional Field Service Representative was added to the labour compliment (\$40) and related fringe benefits				
163	decrease (\$14). This is offset by labour inflation (\$11), new attraction and retention pay (\$9) and other dollar inflation (\$6).				
164					
165	Costs increase from 2008-2009 mainly due to inflation.				
166					
167	<u>71300 - Customer Billing & Accounting</u>	474	513	572	646
168					
169	Costs increase from 2006 to 2007 mainly due to inflation (\$24) and an increase in fringe benefits (\$15). For an explanation				
170	of the fringe increase please refer to Account 64000.				
171					
172	Costs increase from 2007 to 2008 due to implementing the new ATCO-CIS billing system. The new system conversion				
173	is planned to be completed by July 2008.				
174					
175	Costs increase from 2008 to 2009 due to full year impact of the new ATCO-CIS billing system costs.				
176					
177	<u>71400 - Revenue Collections</u>	167	181	162	258
178					
179	Costs increase from 2006 to 2007 mainly due to an increase in fringe benefits (\$18). For an explanation of this fringe increase				
180	please refer to Account 64000. This increase is also due to labour inflation (\$5) offset by decreased payment agent costs				
181	from closure of payment agents in some communities outside Whitehorse (\$9).				
182					
183	Costs decrease from 2007 to 2008 mainly due to decreased labour and fringe as we migrate off of taking payments at				
184	our service building in Watson Lake.				
185					
186	Costs increase from 2008 to 2009 due to the commencement of accepting credit cards for customer payments.				
187					
188	<u>71500 - Collection of Delinquent Accounts</u>	121	124	142	158
189					
190	Costs increase from 2007 to 2008 due to labour inflation (\$14) and non-labour inflation (\$4).				
191					
192	Costs increase from 2008 to 2009 due to labour inflation.				
193					

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Operation and Maintenance Expenses**

**Schedule 5.2
Page 5 of 5**

Line No.	Description	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
194	Administration and general				
195					
196	<u>7210O - Administrative</u>	1,149	1,176	1,331	1,399
197					
198	Costs increase from 2007 to 2008 mainly due increased head office support for phase I & II GRA filings that are forecast on a levelized				
199	basis as well as increased financial reporting requirements (\$80). The increase is also due to other inflation (\$50), and labour inflation (\$25).				
200					
201	Costs increase from 2008 to 2009 mainly due to inflation.				
202					
203	<u>7220O - Administration Corporate</u>	27	14	30	32
204					
205	Costs decrease from 2006 to 2007 due to a decrease in regulatory costs and costs awards credited in 2007 from				
206	previous year.				
207					
208	Cost increase from 2007 to 2008 is mainly due to the absence of any credits for regulatory cost awards from YUB.				
209					
210	<u>7230O - Insurance</u>	194	190	231	244
211					
212	Cost increase from 2007 to 2008 mainly due to an updated Comprehensive General Liability (CGL) corporate allocation methodology.				
213					
214	<u>7250O - Employee Expenses</u>	208	229	222	312
215					
216	Costs increase from 2006 to 2007 mainly due to labour from employee illness.				
217					
218	Costs increase from 2008 to 2009 mainly due to employee northern travel benefits increasing for attraction and retention.				
219					
220	<u>7260O - Training and Safety</u>	247	297	449	484
221					
222	Costs increased from 2006 to 2007 mainly due an increase in fringe benefits (\$25). For an explanation of this fringe increase				
223	please refer to Account 64000. This increase is also due to labour from increased apprenticeship training (\$13),				
224	and increased other costs for driver training and other programs (\$12).				
225					
226	Costs increase from 2007 to 2008 mainly due to increased labour for HS&E management position and other staff				
227	labour (\$102), other dollar escalations for safety and training programs (\$30), and fringe benefits (\$20).				
228	New training initiatives include: continuation of apprenticeship training for two apprentices; new core certification compliance				
229	training (per revised Government occupational health and safety Act); new national transport safety compliance training;				
230	management of environmental affairs with increased rigor around environmental policy issues; journeyman				
231	certification refresher training; transportation of dangerous goods by air; WHIMS; and advanced driver training.				
232					
233	<u>7270O - Relocation</u>	190	93	182	77
234					
235	Costs decrease from 2006 to 2007 mainly due to lower costs due to unfilled vacancies.				
236					
237	Costs increase from 2007 to 2008 mainly due to higher costs because of out of Yukon hires requiring moving				
238	and relocation expenses.				
239					
240	Costs decrease from 2008 to 2009 due to lower staff turnover anticipated.				
241					
242	<u>7290O - Audit/Legal Fees & Special Studies</u>	106	88	95	100
243					
244	Costs decrease from 2006 to 2007 mainly due to decreased legal costs in 2006.				
245					
246	Costs increase from 2007 to 2008 mainly due to an increase in audit fees.				

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Affiliate Charges included in Operations and Maintenance
(\$000s)

Schedule 5.3

Line No.	O&M Category	Affiliate Company	Services Provided	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	<u>Details of Affiliate Costs in Operations and Maintenance</u>							
2	87500 - Meters and Meter Testing	ATCO Electric	Metering Services		37	32	40	42
3								
4	72100 - Administrative	ATCO Electric	After Hours Answering		-	28	26	26
5	71200 - Meter Reading	ATCO Gas	Meter Services		34	37	39	41
6								
7	72100 - Administrative Expenses	ATCO Gas	Office Services		8	14	15	16
8								
9	72100 - Administrative Expenses	ATCO I-Tek	Information Technology	Note 1	311	331	353	370
10								
11	71300 - Customer Billing and Accounting	ATCO I-Tek Business Services	Billing System Services	Note 1	354	366	434	484
12								
13								
14	<u>Details of Head Office Costs</u>							
15	72100 - Administrative Expenses	ATCO Electric	Governance		22	22	24	25
16	72100 - Administrative Expenses		Human Resources		67	67	87	90
17	72100 - Administrative Expenses		Health and Safety		18	19	-	-
18	72100 - Administrative Expenses		Regulatory Phase II		-	-	12	3
19	72100 - Administrative Expenses		Financial Reporting and Regulatory Phase I		25	26	87	73
20	72100 - Administrative Expenses		Payroll		7	6	9	10
21	72100 - Administrative Expenses		Use of Systems		10	8	5	6
22	72100 - Administrative Expenses		information Technology		3	3	2	3
23								
24			Total Head Office Fees		152	151	226	210
25	72100 - Administrative Expenses	ATCO Electric	Material Management		12	9	-	-
26								
27								
28								
29								
30	Total Affiliate Costs included in Operations and Maintenance				908	968	1,133	1,189

31 Note 1 - The test period forecast costs are placeholders pending the completion of a benchmarking study. Please refer to Affiliate Costs write-up on Pages 5-3 & 5-4.



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

1 Section 6 – Taxes Other Than Income

2 Overview

3 The property taxes included in the application are:

	2006 Actual	2007 Actual	Test Period 2008	2009
			(\$000)	
Property Taxes	<u>230</u>	<u>235</u>	<u>249</u>	<u>261</u>

4 Property Tax

5 Property taxes are paid to the communities annually for Yukon Electrical's office
6 building, generation facilities, substation properties and power lines. Property tax
7 increases during the test period are primarily due to inflation.



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

Section 7 – Depreciation

The depreciation expense included in the application is outlined in Schedules 7.1, 7.2, 7.3, and 7.4 and is:

	2006 Actual	2007 Actual	Test Period 2008	2009
			((\$000))	
Depreciation Expense	<u>3,901</u>	<u>4,171</u>	<u>4,365</u>	<u>4,837</u>

The depreciation rates used to calculate actual 2006 and 2007 depreciation expense were developed using the Board approved depreciation parameters from Yukon Electrical's last General Rate Application. The depreciation rates used to calculate depreciation expense for the 2008 and 2009 forecasts are those recommended in a Depreciation Study conducted by Gannett Fleming, Inc. included as Section 7 Attachment 1 in this application. The depreciation methods and results are presented in the study. The impact of the depreciation study is a reduction in forecast depreciation expense of \$270,000.

Forecast depreciation expense for 2008 and 2009 was developed assuming mid-year additions and retirements. Yukon Electrical proposes to fix the annual amount of amortization of accumulated depreciation differences at the level calculated in Gannett Fleming's Depreciation Study.

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Schedule of Depreciation Expense**

Schedule 7.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	General Provision	S. 7.2, 7.3 L.50	4,062	4,335	4,580	5,052
2	Amortization of Differences	S.7.5 L. 50	(140)	(140)	(191)	(191)
3	Vehicle Depreciation Capitalized		(21)	(24)	(24)	(24)
4	Total Depreciation Expense	S.8.6 L.11	<u>3,901</u>	<u>4,171</u>	<u>4,365</u>	<u>4,837</u>

Schedule 7.2

[illegible]

Schedule 7.3

[illegible]

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Schedule of Amortization of Differences**

Schedule 7.4

Line No.	Acct.	Description	Cross Ref.	YFR/ Curve	Life	Net Salvage	Depr. Rates	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1		Production - Hydro									
2											
3	422 00	Hydro Structures		R3	30	-10%	3.70%	(11)	(11)	(17)	(17)
4	423 00	Hydro Resv. Dams & Waterways		R3	30	-10%	3.70%	-	-	-	-
5	425 00	Hydro Generators		R3	30	-10%	3.70%	-	-	-	-
6	426 00	Hydro Accessory Electrical Equip		R3	30	-10%	3.70%	-	-	-	-
7	427 00	Hydro Misc Equip		R3	30	-10%	3.70%	-	-	-	-
8		Total Production - Hydro						(11)	(11)	(17)	(17)
9											
10		Production - Diesel									
11	442 00	Structures and improvement - Other		R2.5	40	0%	2.74%	-	-	(2)	(2)
12	444 00	Fuel Holders, Proucers, & Acc. Equipment - Other		R4	35	-30%	3.90%	(1)	(1)	(3)	(3)
13	445 00	Generating Equipment & Prime Mover - Other		R2.5	27	-10%	4.06%	(28)	(28)	(24)	(24)
14	446 00	Accessory Electric Equipment - Other		R3	35	0%	3.00%	(7)	(7)	(16)	(16)
15	447 00	Misc. Power Plant Equipment - Other		R3	35	-5%	3.31%	(1)	(1)	(2)	(2)
16		Total Production - Diesel						(37)	(37)	(47)	(47)
17											
18		Transmission									
19	457 00	Substation Equipment		R4	40	0%	2.55%	(2)	(2)	(4)	(4)
20		Total Transmission						(2)	(2)	(4)	(4)
21											
22		Distribution Plant									
23	471 00	Land Rights		R3	75	0%	1.52%	(0)	(0)	-	-
24	473 00	Poles, Towers & Fixtures		R3	40	-60%	4.27%	3	3	(47)	(47)
25	474 00	Overhead Conductor		R3	40	-70%	4.57%	(8)	(8)	19	19
26	474 10	Services - Overhead		R3	40	0%	2.62%	(5)	(5)	(10)	(10)
27	475 00	Underground Conductor		R4	50	-5%	2.22%	(5)	(5)	1	1
28	475 10	Services - Underground		R4	40	0%	2.63%	-	-	(6)	(6)
29	476 10	Meters		n/a	0	0%	9.00%	24	24	-	-
30	476 30	AMR - Meters		S2	25	0%	4.54%	-	-	-	-
31	477 10	Substation Equipment		R3	35	0%	2.92%	(5)	(5)	-	-
32	478 10	Street Lighting		R3	25	-10%	4.54%	(15)	(15)	(25)	(25)
33	478 20	Sentinel Lights		R2	23	10%	3.03%	(11)	(11)	-	-
34	479 10	Line Transformers		R3	35	-5%	3.19%	(25)	(25)	(69)	(69)
35		Total Distribution Plant						(47)	(47)	(137)	(137)
36											
37		General Plant									
38	482 00	Structures & Improvements		R4	32	5%	3.03%	(3)	(3)	3	3
39	483 00	Office Furniture & Equipment		SQ	15	0%	4.49%	-	-	3	3
40	483.20	Computer Hardware/Software		SQ	5	0%	20.00%	(14)	(14)	-	-
41	484 00	Transportation & Mobile Equipment		R0.5	10	20%	8.66%	(33)	(33)	-	-
42	485 00	Tool & Work Equipment		SQ	15	0%	6.54%	6	6	(3)	(3)
43	486 00	Communication Structures & Equipment		SQ	15	0%	5.79%	1	1	11	11
44	488 20	Company Housing		R3	40	10%	2.47%	-	-	-	-
45	491 00	Franchise & Consent					0.00%	-	-	-	-
46	496 xx	New ATCO-CIS					10.00%	-	-	-	-
47	496 05	Oracle Financials		S3	10	0%	10.00%	-	-	-	-
48		Total General Plant						(43)	(43)	14	14
49											
50		Total Amortization of Differences	S. 7.1 L 2					(140)	(140)	(191)	(191)

YUKON ELECTRICAL COMPANY LIMITED
WHITEHORSE, YUKON

DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES
APPLICABLE TO PLANT IN SERVICE
AS OF DECEMBER 31, 2007



Harrisburg, Pennsylvania

Calgary, Alberta

Valley Forge, Pennsylvania



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March 20, 2008

Yukon Electrical Company Limited
100 – 100 1st Avenue
Whitehorse, Yukon Y1A 3T4

Attention: Mr. Doug Baer,

Gentlemen,

Pursuant to your request, we have conducted a depreciation study related to the electric hydro, diesel production, distribution, and general plant systems of Yukon Electrical Company Limited ("YECL") as of December 31, 2007. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life and net salvage estimates and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of December 31, 2007. The depreciation rates are based on the straight-line whole life method using the equal life group procedure. An annual review of the depreciation rates using the same estimates and methods is recommended.

Respectfully submitted,

GANNETT FLEMING, INC.
VALUATION AND RATE DIVISION

A handwritten signature in blue ink, appearing to read "L. Kennedy", written over a light blue circular stamp.

LARRY E. KENNEDY
Director, Canadian Services

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PART I. INTRODUCTION

YUKON ELECTRICAL COMPANY LIMITED
WHITEHORSE, YUKON

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES
APPLICABLE TO PLANT IN SERVICE
AS OF DECEMBER 31, 2007

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the electric hydro, diesel production, distribution, and general plant assets of Yukon Electrical Company Limited ("YECL" or Company) to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of plant as of December 31, 2007.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves used in this report are based on studies incorporating data through 2007 for most accounts.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Estimation of Depreciation, presents the methods used in the estimation of average service lives, survivor curves and net salvage and in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation, the statistical analyses of service lives and net salvage estimates, and the detailed tabulations of annual depreciation.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the whole life basis and the equal life group (ELG) procedure. The calculation was based on the attained ages and estimated service life and net salvage characteristics for each depreciable group of assets.

Service Life and Net Salvage Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through December 31, 2007. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through contact with Company personnel

The net salvage estimates were based on judgment that incorporated analyses of historical data, a review of policies and outlook with Company management, a general knowledge of the electric utility industry, and comparisons of the net salvage estimates from studies of other electric utilities. The analyses of historic retirement activity, costs of retirement, and gross salvage proceeds, consisted of expressing the cost of removal and

gross salvage as percents of the original cost retired on annual and moving average bases.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of December 31, 2007. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate depreciation rates.

The depreciation rates should be reviewed annually to reflect the changes that result from plant account activity. A depreciation reserve deficiency or surplus will develop if future capital expenditures vary significantly from those anticipated in this study.

The survivor curves and net salvage percents used in this study should be the basis for annual recalculations. Complete depreciation studies, which re-evaluate these parameters, should be performed every three to five years.

PART II. METHODS USED IN THE
ESTIMATION OF DEPRECIATION

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DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric distribution service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

Average Service Life. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

Survivor Curves The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

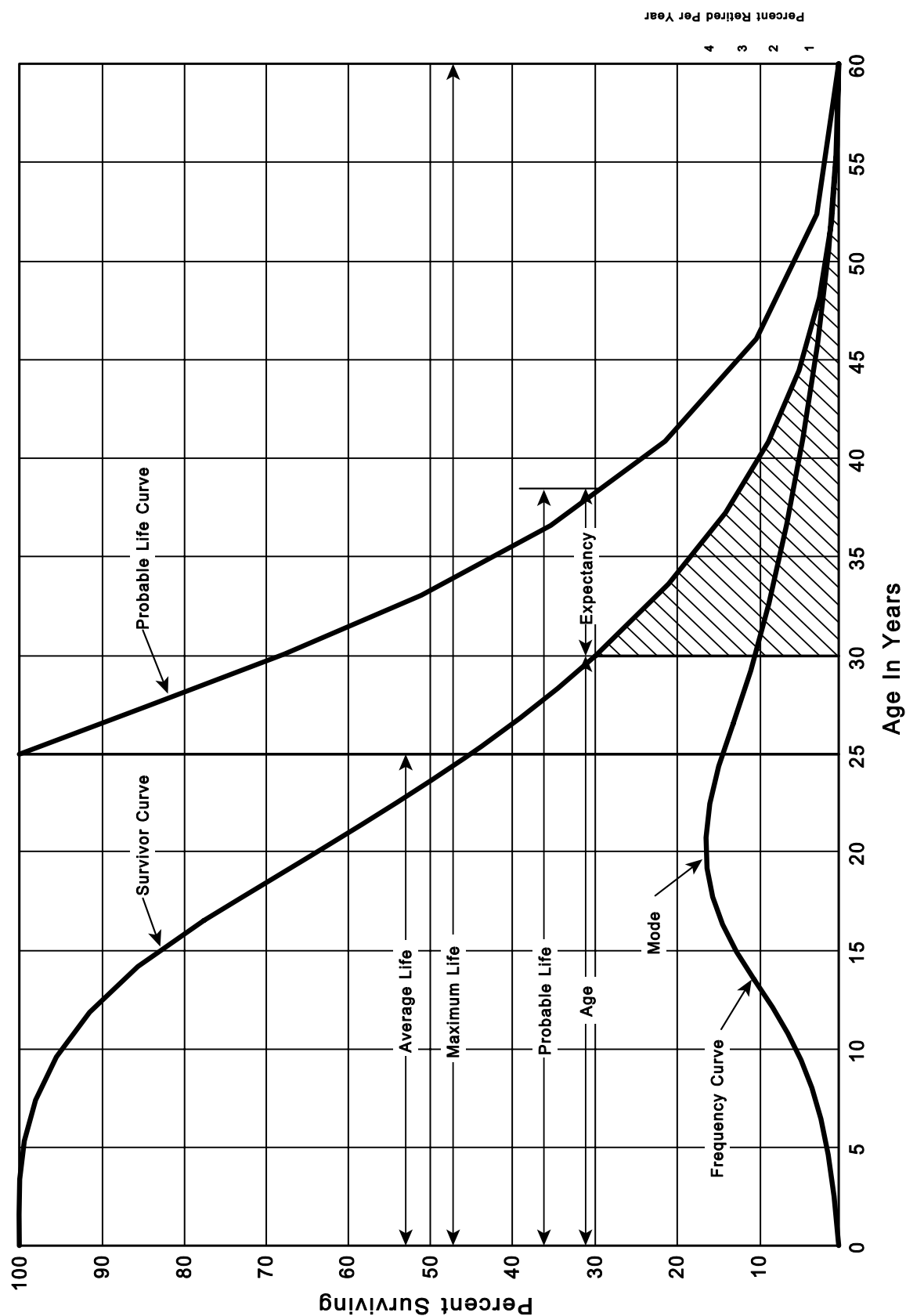


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

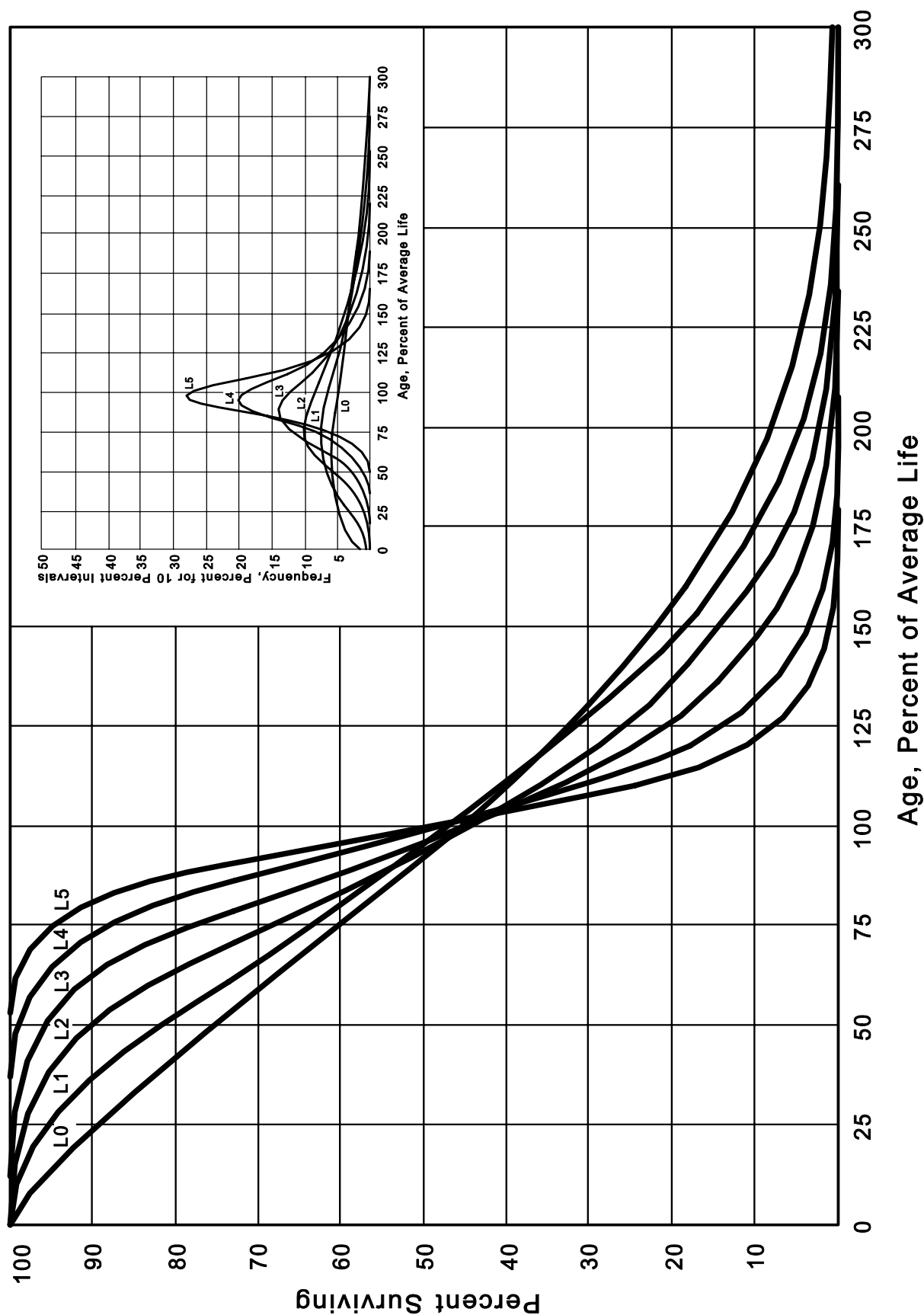


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

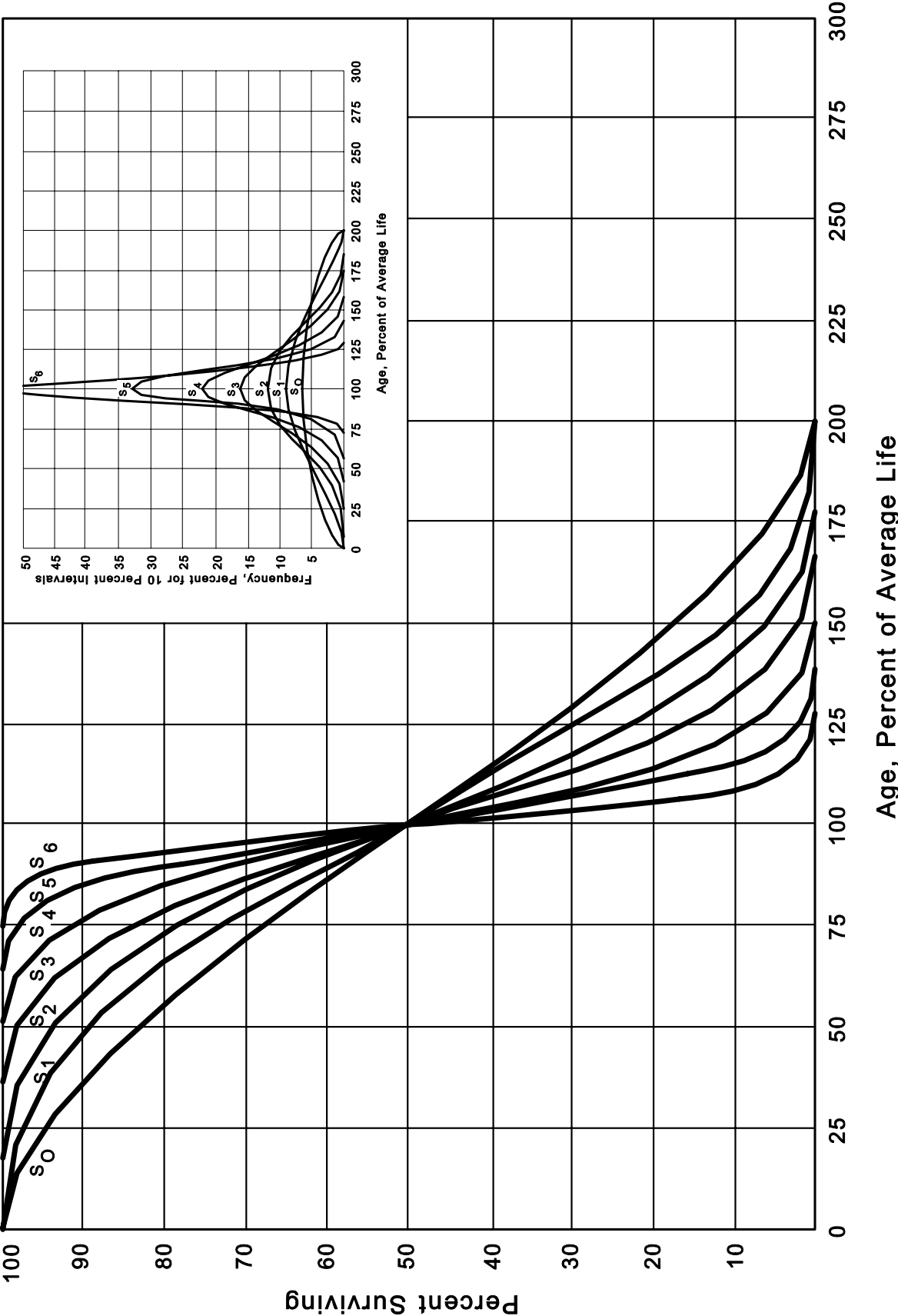


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

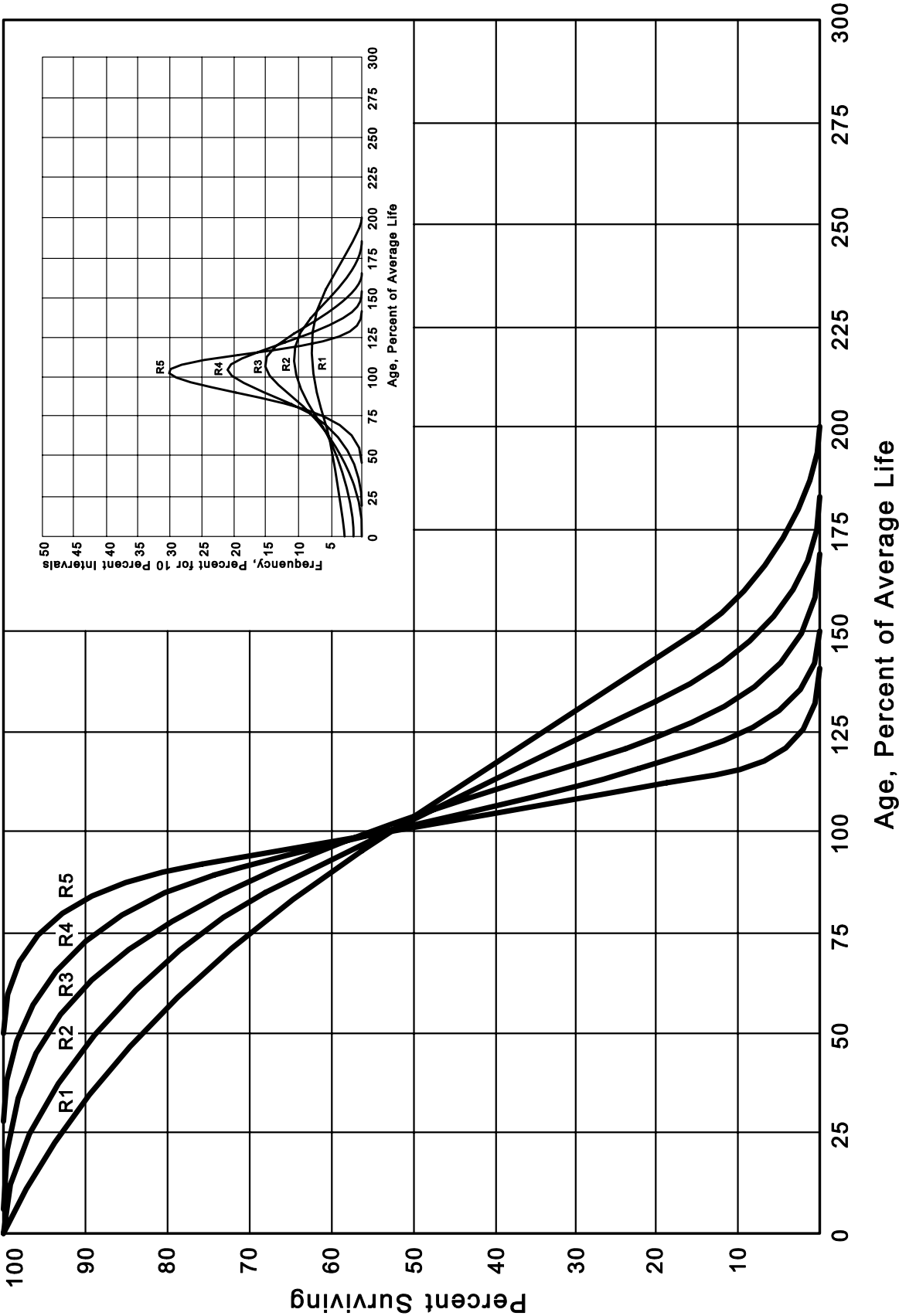


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

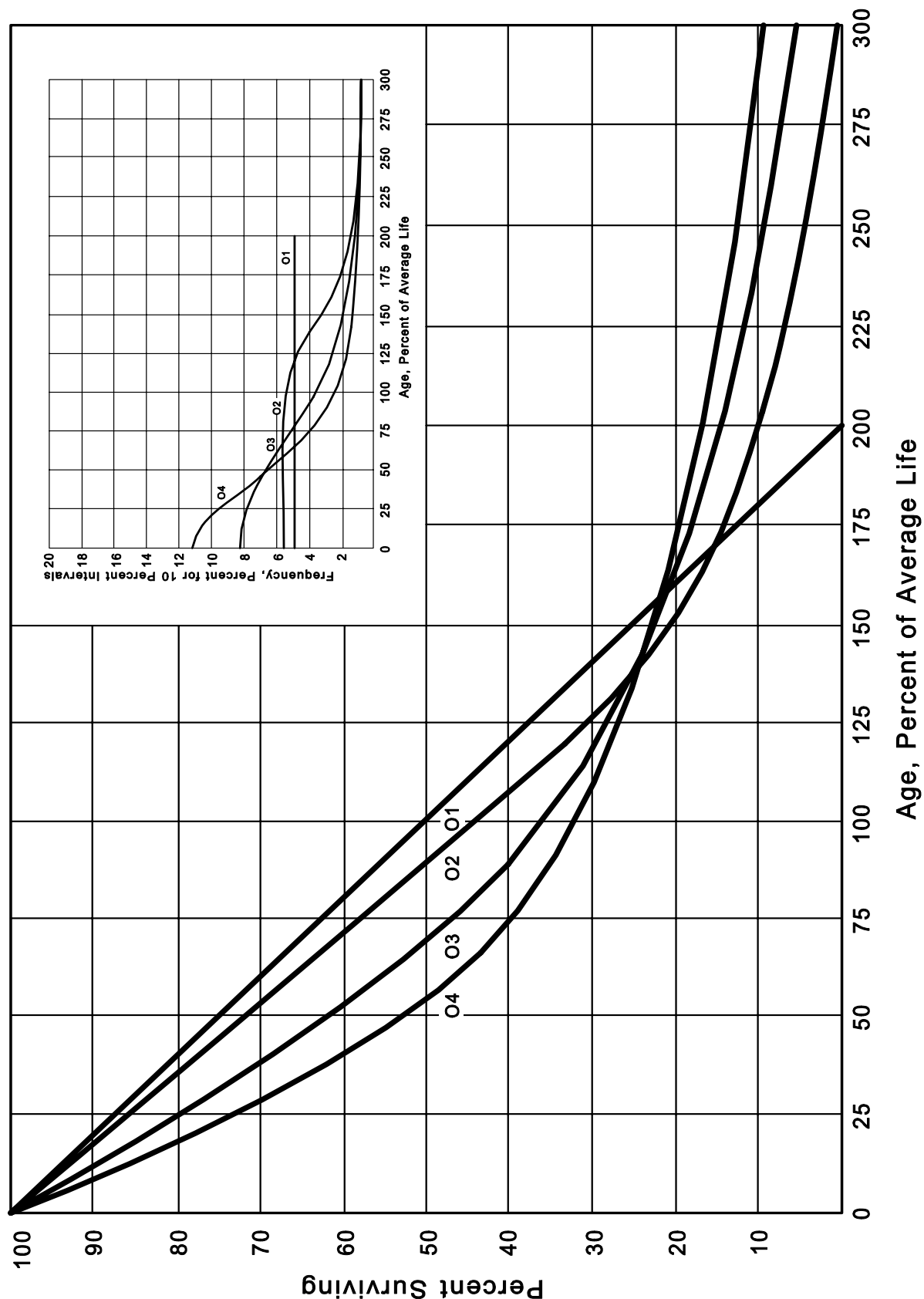


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Experiment Station's Bulletin 125.¹ These type curves have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶ The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the

¹ Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 1996-2005 during which there were placements during the years 1991-2005. In order to illustrate the summation of the aged data by age interval, the data was compiled in the manner presented in Tables 1 and 2. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1991 was retired in 1996. The \$10,000 retirement occurred during the age interval between $4\frac{1}{2}$ and $5\frac{1}{2}$ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements are also stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval $4\frac{1}{2}$ - $5\frac{1}{2}$ is the sum of the

retirements entered on Table 1 if a stair step line drawn on the table beginning with the 1996 retirements of 1991 installations and ending with the 2005 retirements of the 2000 installations. Thus, the total amount of 143 for age interval $4\frac{1}{2}$ - $5\frac{1}{2}$ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-10. The surviving plant at the beginning of each year from 1996 through 2005 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or additions are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 1995 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age $\frac{1}{2}$	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age $1\frac{1}{2}$	= \$742,000 - \$18,000	= \$724,000
Exposures at age $2\frac{1}{2}$	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age $3\frac{1}{2}$	= \$685,000 - \$22,000	= \$663,000

TABLE 1. RETIREMENTS FOR EACH YEAR 1996-2005
SUMMARIZED BY AGE INTERVAL

Retirements, Thousands of Dollars												Placement Band 1991-2005	
Year	Placed	During Year										Total During Age Interval (12)	Age Interval (13)
		1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)		
1991	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
1992	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
1993	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
1994	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
1995	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
1996	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
1997		5	11	12	13	14	15	16	18	20	113	7½-8½	
1998			6	12	13	15	16	17	19	19	124	6½-7½	
1999				6	13	15	16	17	19	19	131	5½-6½	
2000					7	14	16	17	19	20	143	4½-5½	
2001						8	18	20	22	23	146	3½-4½	
2002							9	20	22	25	150	2½-3½	
2003								11	23	25	151	1½-2½	
2004									11	24	153	½-1½	
2005										13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

Experience Band 1996-2002

Placement Band 1991-2005

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 1996-2005
SUMMARIZED BY AGE INTERVAL

Experience Band 1996-2005

Placement Band 1991-2005

Acquisitions, Transfers, and Sales, Thousands of Dollars

Year Placed (1)	During Year										Total During Age Interval (12)	Age Interval (13)
	1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)		
1991	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
1992	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1993	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1994	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
1995	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
1996	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
1997	-	-	-	-	-	-	-	-	-	-	6	7½-8½
1998	-	-	-	-	-	-	-	-	-	-	-	6½-7½
1999	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2000	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2001	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2002	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2003	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2004	-	-	-	-	-	-	-	-	-	-	-	½-1½
2005	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	=	=	=	=	=	=	60	(30)	22	(102)	(50)	

^a Transfer Affecting Exposures at Beginning of Year.

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 1996-2005 SUMMARIZED BY AGE INTERVAL

Experience Band 1996-2005										Placement Band 1991-2005		
Exposures, Thousands of Dollars												
Year Placed (1)	Annual Survivors at the Beginning of the Year										Total at Beginning of Age	
	1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)	Interval (12)	Age Interval (13)
1991	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1992	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1993	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1994	338	330	321	311	300	289	276	262	242	226	823	10½-11½
1995	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
1996	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
1997		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
1998			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
1999				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2000					660 ^a	653	639	623	628	609	3,789	4½-5½
2001						750 ^a	742	724	685	663	4,332	3½-4½
2002							850 ^a	841	821	799	4,955	2½-3½
2003								960 ^a	949	926	5,719	1½-2½
2004									1,080 ^a	1,069	6,579	½-1½
2005										1,220 ^a	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

^a Additions during the year.

For the entire experience band 1996-2005, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval $4\frac{1}{2}$ - $5\frac{1}{2}$, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-16, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age $5\frac{1}{2}$ are as follows:

Percent surviving at age $4\frac{1}{2}$	=	88.15	
Exposures at age $4\frac{1}{2}$	=	3,789,000	
Retirements from age $4\frac{1}{2}$ to $5\frac{1}{2}$	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age $5\frac{1}{2}$	=	$(88.15) \times (0.9623)$	= 84.83

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD
Experience Band 1996-2005 Placement Band 1991-2005

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

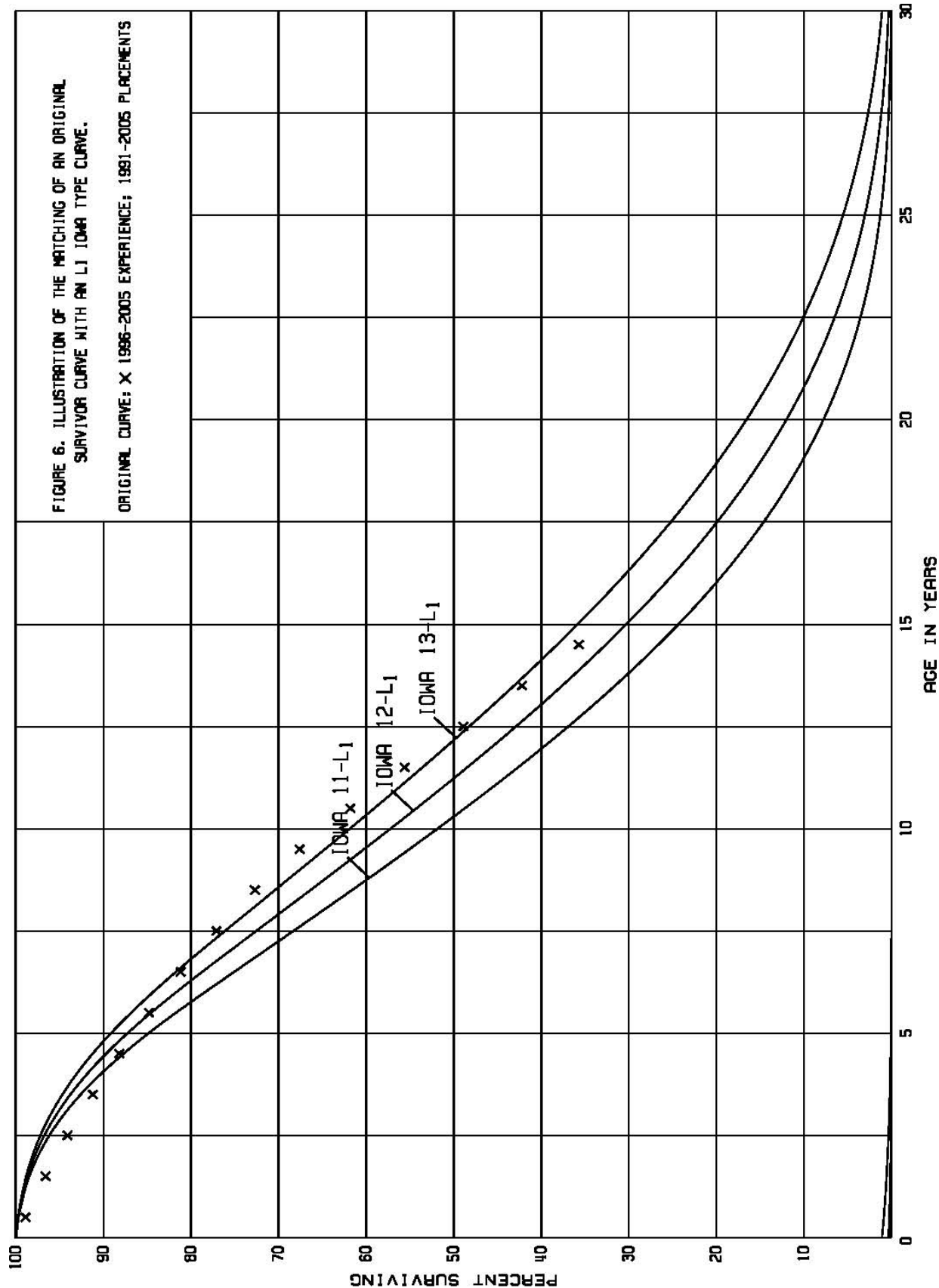
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

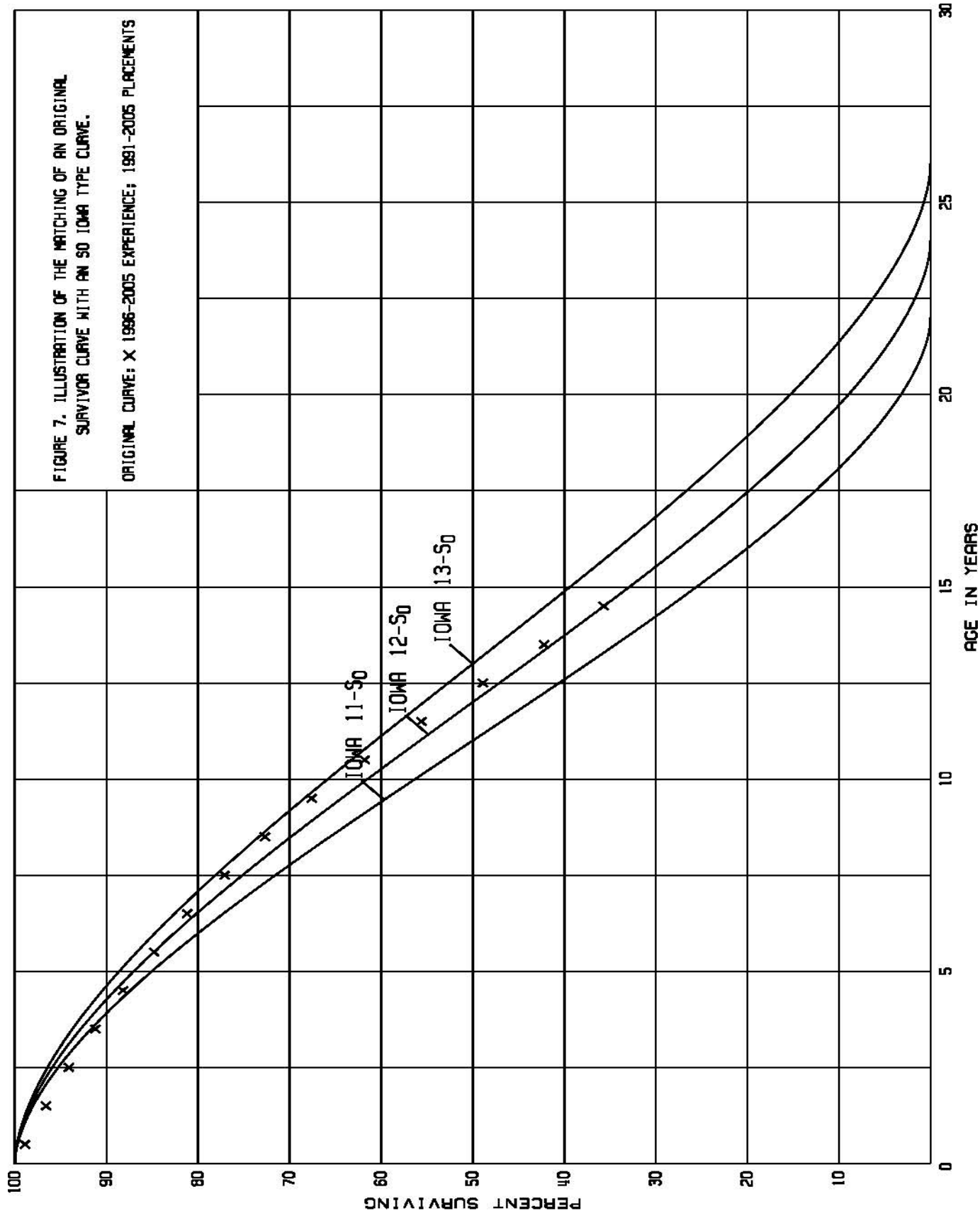
The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

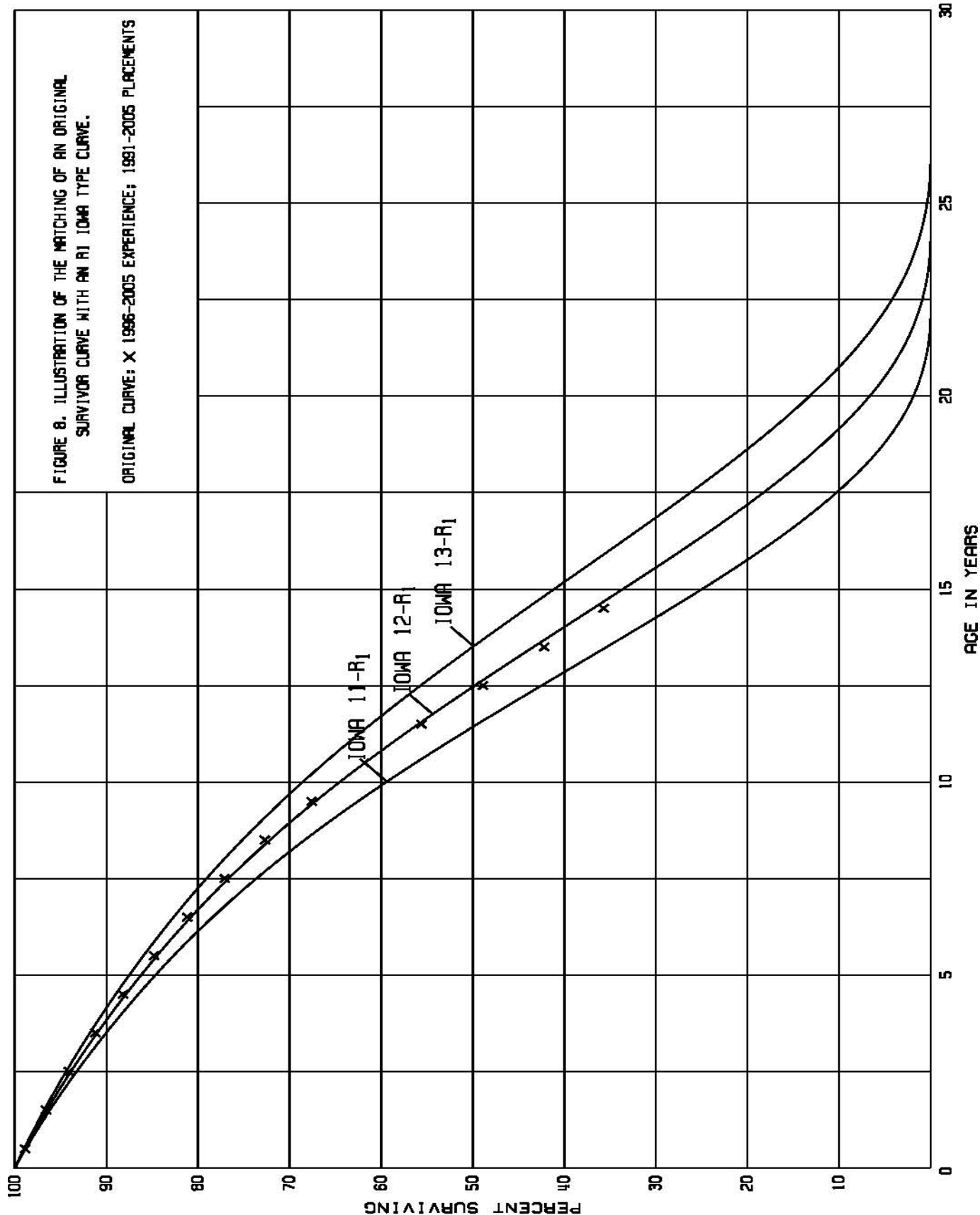
The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

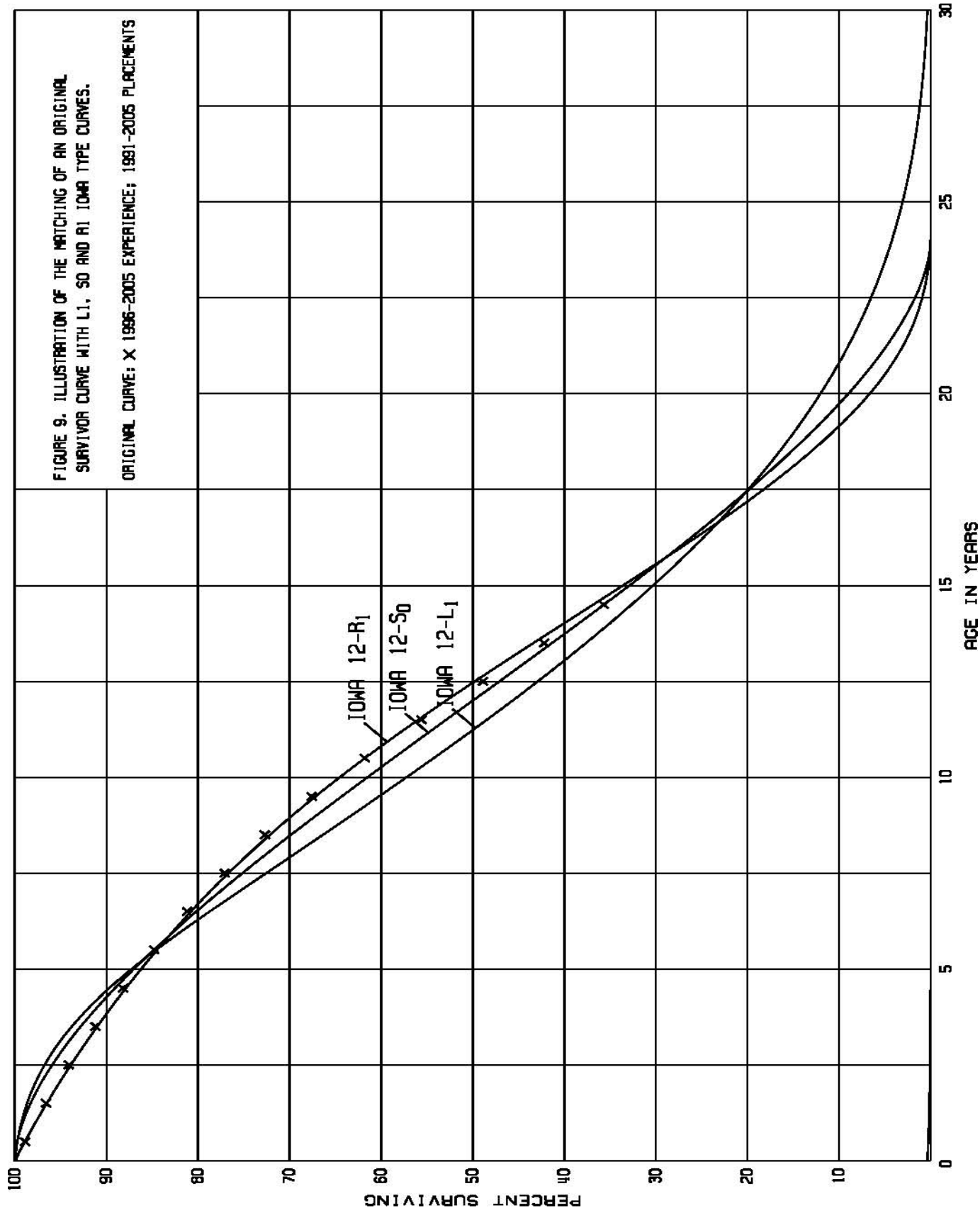
Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be









better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

Survivor Curve Judgments. The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical analysis of data; current policies and outlook as determined during conversations with management personnel and engineering staff; and survivor curve estimates from previous studies of this Company and other electric distribution companies.

Account 473.0 - Poles, Towers, and Fixtures, represents 20% of the depreciable plant studied. The retirements, additions and other plant transactions for the period 1945 through 2007 were analyzed by the retirement rate method. The original survivor curve, as plotted on page IV-20, indicates consistent retirement ratios through to age 44, then accelerating retirement ratios through to age 50. The previously approved estimate for this account was the Iowa 33-R2.5. The Iowa 40-R3, selected in this study, increases the average service life for the account by 7 years, and recognizes the increased level of retirement activity late in the accounts life. Typical average service lives for this type of equipment normally range from 35 to 45 years. The 40-R3 provides a reasonable interpretation of the historical data, and is forecast to be representative of the anticipated future retirement activity. Future studies will need to consider lengthening the average service life again if the trend of longer life continues to be apparent at that time.

Account 475.0 - Underground Conduit, represents 15% of the depreciable plant studied. Historical retirements, additions and other plant transactions for the period 1961

through 2007 were analyzed by the retirement rate method. Typical Iowa curve estimates for this type of electric transmission plant usually range from 40 to 55 years. The previously approved estimate for this account was the Iowa 54-R3, has been slightly adjusted to the Iowa 50-R4 to better fit industry retirement trends. The selected Iowa 50-R4 provides a good fit to the historic retirement experience, conforms to the expectations of the company's engineering staff, and is in the range typically used by industry. Gannett Fleming views that the selected 40-R3 provides for a reasonable expectation of the future retirement trends.

Account 474.0 – Overhead Conductor, represents 13% of the depreciable plant studied. The original survivor curve, as plotted on page IV-23, shows a generally uniform pattern of retirements from early in the accounts life through to age 50. The currently approved Iowa 40-R2 has been modified slightly to the Iowa 40-R3 to better fit the historic retirement indications. Typical average service life indications for this type of electric utility plant range from 35 to 45 years. The selected 40-R3 is in the range typically used by industry and conforms to the expectations of the company's engineering staff.

Account 479.10 – Line Transformers, represents 15% of the depreciable plant studied. Historical retirements, additions and other plant transactions for the period 1945 through 2007 were analyzed by the retirement rate method. The original survivor curve, as plotted on page IV-45, indicates a modest level of retirement activity in the early years of the accounts life with an increase in retirements shown at ages 50 through 60. Typical Iowa curve estimates for this type of electric transmission plant usually range from 35 to 45 years. The previously approved estimate for this account was the Iowa 30-R1.5. The Iowa 35-R3 curve was chosen for this study as it provides a better recognition of the historic

retirement experience, conforms to the expectations of the engineering staff, is within the range typically used by industry, and provides for a reasonable expectation of the future retirement trends.

Account 445.0 – Diesel Production – General Equipment & Prime Movers, represents approximately 7% of the depreciable plant studied. Plant accounting transactions from 1945 through 2007 were analyzed by the retirement rate method. The original survivor curve, as plotted on page IV-08, shows an increased rate of plant retirement through age 36, and a sharp drop at age 37. Typical average service life indications for this type of plant range from 25 years to 35 years. The previously approved estimate for this account was the Iowa 27-S0.5. The Iowa 27-R2.5 selected in this study provides a reasonable fit to the historic retirement patterns, is within the range of average service life estimates used within the industry, and is considered to represent the future retirement pattern of the plant within this account.

The survivor curve estimates for the remaining accounts, excepting the 4 accounts for which amortization accounting is used, were based on similar considerations of historical analyses, management outlook and estimates for this company and other electric utilities.

ESTIMATION OF NET SALVAGE

The estimates of net salvage were based primarily on the professional judgment of Gannett Fleming, in part on historical data for the years 1983 through 2007, and in part through a comparison to peer electric distribution companies. Gross salvage and cost of removal as recorded to the depreciation reserve account and related to experienced retirements were used. Percentages of the cost of plant retired were calculated for each component of net salvage on both annual and three-year moving average bases.

The net salvage percentages estimated in this study have been determined using the "Traditional Approach" for net salvage estimation. The estimates of net salvage were based in part on the database of historic transactions encompassing the period 1983 through 2007, as presented beginning on page V-2 of this report.

When a utility retires plant, the plant may be: (1) sold to a third party; (2) reused by the utility for additional service; (3) abandoned in place; or (4) physically removed. In the circumstances where the plant is sold or re-used, a salvage proceed (or positive salvage amount) is normally recognized. In circumstances where the plant is abandoned in place or physically removed, a cost of removal expenditure (or negative salvage) is incurred. The net of these estimated gross salvage proceeds and the estimated costs of removal are expressed as a percentage of the account's original cost to determine a net salvage percentage. In the circumstances where the salvage proceeds exceed the costs of retirement, a net positive salvage percentage exists. In the circumstances where the costs of removal exceed the salvage proceeds, a net negative salvage percentage results.

The estimation of the net salvage percentages developed using the traditional approach, included the following steps:

1. The annual retirement, gross salvage and cost of removal transactions for the period January 1, 1983 through December 31, 2007 were extracted from the plant accounting systems.
2. A net salvage amount (gross salvage proceeds less cost of retirement) was calculated for each historic year. Additionally, a net salvage amount was also calculated for each historic 3-year rolling band and the most recent 5-year rolling band.
3. The net salvage amount determined above was compared to the original booked costs retired for each period in the manner described, which resulted in a net salvage percentage of original costs retired for each year, in addition to 3-year rolling bands and the most recent 5-year rolling band.
4. The annual, the 3-year rolling average, and the most recent 5-year rolling average net salvage percentages were analyzed to determine a reasonable estimated net salvage percentage. At this point the net salvage percentage was based purely upon statistical analysis.
5. Each account was then compared to the net salvage percentage currently approved, compared to peer electric distribution companies, and discussed with company engineering staff. Based on the statistical analysis, the review of current and peer company net salvage percentages, and with the professional judgment of Gannett Fleming, a net salvage percentage was determined for each account.
6. The net salvage percentage was then used in the depreciation rate calculations in the technical update.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving

balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group. The table on the following page presents an illustration of the calculation of equal life group depreciation using the Iowa 15-R3 survivor curve, 0 percent net salvage and a December 31, 2003 calculation date. In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occurs, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, each vintage is divided into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

The retirement during the age interval, shown in column 4, is the size of each equal life group and is derived from the Iowa 15-R3 survivor curve and 0 percent net salvage. It is the difference between the percents surviving at the beginning and end of the age interval. Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3).

Columns 6 through 10 show the derivation of the annual and accrued factors for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2003, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 7.53413204309 for 2002 equals one-half of 0.14669333333 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

The summation of annual accruals (column 7) for installations during 2003 is calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2003, the first figure in column 7, for vintage 2003, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 12-31-2003
SURVIVOR CURVE.... 15-R3

AGE BEG (1)	INTERVAL END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR
(10)=(9)*(3)									
0.000	1.000	0.500	0.13204	0.13204000000	2003	7.73951870976	99.939619	0.0774	0.0387
1.000	2.000	1.500	0.22004	0.14669333333	2002	7.53413204309	99.757940	0.0755	0.1133
2.000	3.000	2.500	0.34901	0.13960400000	2001	7.39098337643	99.473416	0.0743	0.1858
3.000	4.000	3.500	0.53168	0.15190857143	2000	7.24522709071	99.033069	0.0732	0.2562
4.000	5.000	4.500	0.77648	0.17255111111	1999	7.08299724944	98.378988	0.0720	0.3240
5.000	6.000	5.500	1.09520	0.19912727273	1998	6.89715805752	97.443149	0.0708	0.3894
6.000	7.000	6.500	1.50085	0.23090000000	1997	6.68214442116	96.145127	0.0695	0.4518
7.000	8.000	7.500	1.99686	0.26624800000	1996	6.43357042116	94.396275	0.0682	0.5115
8.000	9.000	8.500	2.59836	0.30568941176	1995	6.14760171528	92.098663	0.0668	0.5678
9.000	10.000	9.500	3.32846	0.35036421053	1994	5.81957490413	89.135249	0.0653	0.6204
10.000	11.000	10.500	4.20015	0.40001428571	1993	5.44438565601	85.370944	0.0638	0.6699
11.000	12.000	11.500	5.24273	0.45588956522	1992	5.01643373055	80.649505	0.0622	0.7153
12.000	13.000	12.500	6.46397	0.51711760000	1991	4.52993014794	74.796157	0.0606	0.7575
13.000	14.000	13.500	7.78086	0.57636000000	1990	3.98319134794	67.673742	0.0589	0.7952
14.000	15.000	14.500	9.04123	0.62353310345	1989	3.38324479621	59.262695	0.0571	0.8280
15.000	16.000	15.500	9.97724	0.64369290323	1988	2.74963179287	49.753461	0.0553	0.8572
16.000	17.000	16.500	10.26569	0.62216303030	1987	2.11670382611	39.631994	0.0534	0.8811
17.000	18.000	17.500	9.71888	0.55536457143	1986	1.52794002524	29.639708	0.0516	0.9030
18.000	19.000	18.500	8.35418	0.45157729730	1985	1.02446909088	20.603179	0.0497	0.9195
19.000	20.000	19.500	6.50335	0.33350512821	1984	0.63192787812	13.174414	0.0480	0.9360
20.000	21.000	20.500	4.58978	0.22389170732	1983	0.35322946036	7.627850	0.0463	0.9492
21.000	22.000	21.500	2.91547	0.13560325581	1982	0.17348197879	3.875224	0.0448	0.9632
22.000	23.000	22.500	1.61144	0.07161955556	1981	0.06987057311	1.611769	0.0434	0.9765
23.000	24.000	23.500	0.66967	0.02849659574	1980	0.01981249746	0.471215	0.0420	0.9870
24.000	25.000	24.500	0.13425	0.00547959184	1979	0.00282440367	0.069256	0.0408	0.9996
25.000	25.350	25.175	0.00213	0.00008460775	1978	0.00001480636	0.000373	0.0397	1.0000
TOTAL			100.00000						

The average percent surviving derived from the Iowa 15-R3 survivor curve and 0 percent net salvage is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8). The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2003.

MONITORING OF BOOK ACCUMULATED DEPRECIATION

The calculated accrued depreciation or amortization represents that portion of the depreciable cost which will not be allocated to expense through future depreciation accruals, if current forecasts of service life characteristics and net salvage materialize and are used as a basis for depreciation accounting. Thus, the calculated accrued depreciation

provides a measure of the book accumulated depreciation. The use of this measure is recommended in the amortization of book accumulated depreciation variances to insure complete recovery of capital over the life of the property.

The recommended amortization of the variance between the book accumulated depreciation and the calculated accrued depreciation is based on an amortization period equal to the composite remaining life for each property group where the variance exceeds five percent of the calculated accrued depreciation.

The composite remaining life for use in the reducing accumulated depreciation variances for all accounts that incorporated the use of the ELG procedure applied on a whole life basis is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum \left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups, which are summed in the foregoing equation, are defined by the estimated future survivor curve. Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

Or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation and the annual provision for true-up (amortization of the accumulated depreciation variance) are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life and net salvage estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on page IV-2.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves is followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving.

The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations that appear in the experience.

The results of the statistical analyses of net salvage are presented in the section beginning on page V-2. The tables of net salvage data present gross salvage, cost of removal and net salvage. Each is expressed as a percent of the annual retirement amount. Totals for the 1983 through 2007 period, three-year moving averages and the most recent five-year average also are computed.

The tables of the calculated annual depreciation applicable to plant as of December 31, 2007 are presented in account sequence starting on page VI-2. The tables indicate the estimated average survivor curves and net salvage percents used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, and the calculated annual accrual.

YUKON ELECTRICAL COMPANY LIMITED

TABLE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

LIFE ANALYSIS

	Description (1)	Estimated Survivor Curve (2)	Estimated Net Salvage (3)	Surviving Original Cost at 12/31/2007 (4)	Calculated Accrued Depreciation (5)	Amount (6)	Annual Accrual Rate (7)=(6)/(4)
Hydro Plant							
425.0	Hydro Equipment	30-R3	** (10)	1,418,301.07	738,978	47,704	3.36
Total Hydro Plant				1,418,301.07	738,978	47,704	
Production Diesel Plant							
442.0	Structures & Improvements	40-R2.5	0	1,497,843.99	515,814	41,046	2.74
444.0	Fuel Holders, Products & ACC	35-R4	(30)	2,136,739.93	538,827	64,042	3.00
445.0	Gen. Equip & Prime Movers	27-R2.5	(10)	8,444,472.84	4,386,036	311,399	3.69
446.0	Accessory Electric Equipment	35-R3	0	2,141,821.19	832,680	64,287	3.00
447.0	Misc. Power Plant Equipment	35-R3	(5)	643,165.97	148,396	20,270	3.15
Total Production Diesel Plant				14,864,043.92	6,421,753	501,044	
Substation Plant							
457.0	Substation Equipment - Transmission	40-R4	0	1,401,497.52	648,636	35,755	2.55
Total Substation Plant				1,401,497.52	648,636	35,755	
Distribution Plant							
471.0	Land Rights	75-R3	0	928,629.61	86,134	14,121	1.52
473.0	Poles, Towers, and Fixtures	40-R3	(60)	22,740,165.77	7,554,167	608,189	2.67
474.0	Overhead Conductor	40-R3	(70)	15,092,499.08	4,764,209	405,300	2.69
474.1	Overhead Services	40-R3	0	2,305,976.34	912,778	60,367	2.62
475.0	Underground Conduit	50-R4	(5)	17,425,892.21	3,832,190	367,507	2.11
475.1	Underground Services	40-R4	0	2,547,049.17	667,877	66,938	2.63
476.1	Meters	n/a	0	1,262,811.95	-	113,709 *	9.00
476.3	AMR - Meters	25-S2	0	8,035.69	182	365	4.54
477.1	Substation Equipment - Distribution	35-R3	0	3,131,515.61	1,453,259	91,358	2.92
478.1	Street Lights & Signal Systems	25-R3	(10)	7,699,005.33	3,241,369	318,169	4.13
478.2	Sentinel Lights	23-R2	10	284,738.28	229,745	9,597	3.37
479.1	Line Transformers	35-R3	(5)	17,595,915.83	5,940,290	534,579	3.04
Total Distribution Plant				91,022,234.87	26,682,200	2,590,199	
General Plant							
482.0	Structures and Improvements	32-R4	5	3,184,452.77	1,606,904	101,543	3.19
483.0	Office Furniture and Equipment	15-SQ	0	219,727.68	134,619	9,863	4.49
483.2	Computer Equipment and Acc.	5-SQ	0	37,419.53	23,889	7,484	20.00
484.0	Transportation & Mobile Equipment	10-R0.5	20	2,207,200.13	1,066,133	238,875	10.82
485.0	Tools & Instruments	15-SQ	0	500,791.27	184,949	32,730	6.54
486.0	Communication Equipment	15-SQ	0	491,335.99	271,910	28,457	5.79
488.2	Houses	40-R3	10	387,953.68	99,847	10,649	2.74
Total General Plant				7,028,881.05	3,388,251	429,601	
Total Utility Plant in Service				115,734,958.43	39,879,818	3,604,303	3.11
Non - Depreciable Plant							
420.0	Land			119,024.92			

* Annual Accrual rate has been determined by amortizing the December 31/07 net book value over a 10 year period.
** Truncated to 2052

YUKON ELECTRICAL COMPANY LIMITED

TABLE 1. ESTIMATED SURVIVOR CURVES, NET SALVAGE PERCENTS, ORIGINAL COST AND ANNUAL ACCRUALS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
SALVAGE ANALYSIS

Description (1)	Estimated Survivor Curve (2)	Estimated Net Salvage (3)	Surviving Original Cost at 12/31/2007 (4)	Calculated Accrued Depreciation (5)	Amount (6)	Annual Accrual Rate (7) = (6)/(4)
Hydro Plant						
425.0 Hydro Equipment	30-R3	** (10)	1,418,301.07	73,898	4,770	0.34
Total Hydro Plant			1,418,301.07	73,898	4,770	
Production Diesel Plant						
442.0 Structures & Improvements	40-R2.5	0	1,497,843.99	-	-	0.00
444.0 Fuel Holders, Products & ACC	35-R4	(30)	2,136,739.93	161,648	19,213	0.90
445.0 Gen. Equip & Prime Movers	27-R2.5	(10)	8,444,472.84	438,604	31,140	0.37
446.0 Accessory Electric Equipment	35-R3	0	2,141,821.19	-	-	0.00
447.0 Misc. Power Plant Equipment	35-R3	(5)	643,165.97	7,420	1,014	0.16
Total Production Diesel Plant			14,864,043.92	607,672	51,367	
Substation Plant						
457.0 Substation Equipment - Transmission	40-R4	0	1,401,497.52	-	-	0.00
Total Substation Plant			1,401,497.52	-	-	
Distribution Plant						
471.0 Land Rights	75-R3	0	928,629.61	-	-	0.00
473.0 Poles, Towers, and Fixtures	40-R3	(60)	22,740,165.77	4,532,500	364,913	1.60
474.0 Overhead Conductor	40-R3	(70)	15,092,499.08	3,334,946	283,710	1.88
474.1 Overhead Services	40-R3	0	2,305,976.34	-	-	0.00
475.0 Underground Conduit	50-R4	(5)	17,425,892.21	191,610	18,375	0.11
475.1 Underground Services	40-R4	0	2,547,049.17	-	-	0.00
476.1 Meters	n/a	0	1,262,811.95	-	-	0.00
476.3 AMR - Meters	25-S2	0	8,035.69	-	-	0.00
477.1 Substation Equipment - Distribution	35-R3	0	3,131,515.61	-	-	0.00
478.1 Street Lights & Signal Systems	25-R3	(10)	7,699,005.33	324,137	31,817	0.41
478.2 Sentinel Lights	23-R2	10	284,738.28	(22,975)	(960)	-0.34
479.1 Line Transformers	35-R3	(5)	17,595,915.83	297,015	26,729	0.15
Total Distribution Plant			91,022,234.87	8,657,233	724,584	
General Plant						
482.0 Structures and Improvements	32-R4	5	3,184,452.77	(80,345)	(5,077)	-0.16
483.0 Office Furniture and Equipment	15-SQ	0	219,727.68	-	-	0.00
483.2 Computer Equipment and Acc.	5-SQ	0	37,419.53	-	-	0.00
484.0 Transportation & Mobile Equipment	10-R0.5	20	2,207,200.13	(213,227)	(47,775)	-2.16
485.0 Tools & Instruments	15-SQ	0	500,791.27	-	-	0.00
486.0 Communication Equipment	15-SQ	0	491,335.99	-	-	0.00
488.2 Houses	40-R3	10	387,953.68	(9,985)	(1,065)	-0.27
Total General Plant			7,028,881.05	(303,557)	(53,917)	
Total Utility Plant in Service			115,734,958.43	9,035,246	726,804	0.63
Non - Depreciable Plant						
420.0 Land			119,024.92			

** Truncated to 2052

YUKON ELECTRICAL COMPANY LIMITED

TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION
FOR TRUE-UP RELATED TO ESTIMATED ORIGINAL COST AT DECEMBER 31, 2007

LIFE ANALYSIS

Description (1)	Surviving Original Cost at 12/31/2007 (2)	Calculated Accrued Depreciation (3)	Book Accumulated Depreciation (4)	Accumulated Depreciation Variance (5) = (3)-(4)	Probable Remaining Life (6)	Annual Provision for True-Up (7)=(5)/(6)
Hydro Plant						
425.0 Hydro Equipment	1,418,301.07	738,978	952,397	(213,419)	15.0	(14,228)
Total Hydro Plant	1,418,301.07	738,978	952,397	(213,419)		(14,228)
Production Diesel Plant						
442.0 Structures & Improvements	1,497,843.99	515,814	663,932	(148,118)	26.2	(5,653)
444.0 Fuel Holders, Products & ACC	2,136,739.93	538,827	745,481	(206,654)	25.2	(8,201)
445.0 Gen. Equip & Prime Movers	8,444,472.84	4,386,036	4,912,880	(526,844)	13.1	(40,217)
446.0 Accessory Electric Equipment	2,141,821.19	832,680	1,167,290	(334,610)	22.6	(14,806)
447.0 Misc. Power Plant Equipment	643,165.97	148,396	207,398	(59,002)	25.9	(2,278)
Total Production Diesel Plant	14,864,043.92	6,421,753	7,696,981	(1,275,228)		(71,155)
Substation Plant						
457.0 Substation Equipment - Transmission	1,401,497.52	648,636	718,964	(70,228)	22.4	(3,135)
Total Substation Plant	1,401,497.52	648,636	718,964	(70,228)		(3,135)
Distribution Plant						
471.0 Land Rights	928,629.61	86,134	84,514	1,620	59.7	27
473.0 Poles, Towers, and Fixtures	22,740,165.77	7,554,167	9,344,550	(1,790,383)	23.9	(74,911)
474.0 Overhead Conductor	15,092,499.08	4,764,209	5,322,827	(558,618)	23.6	(23,670)
474.1 Overhead Services	2,305,976.34	912,778	1,096,305	(183,527)	24.9	(7,371)
475.0 Underground Conduit	17,425,892.21	3,832,190	4,033,681	(201,491)	37.0	(5,446)
475.1 Underground Services	2,547,049.17	667,877	833,169	(165,292)	28.7	(5,759)
476.1 Meters	1,262,811.95	-	125,724	-	0.0	-
476.3 AMR - Meters	8,035.69	182	-	182	21.5	8
477.1 Substation Equipment - Distribution	3,131,515.61	1,453,259	1,562,180	(108,921)	19.1	(5,703)
478.1 Street Lights & Signal Systems	7,699,005.33	3,241,369	4,183,001	(941,632)	15.5	(60,750)
478.2 Sentinel Lights	284,738.28	229,745	279,775	(50,030)	0.0	-
479.1 Line Transformers	17,595,915.83	5,940,290	7,546,291	(1,606,001)	23.4	(68,633)
Total Distribution Plant	91,022,234.87	28,682,200	34,412,017	(5,604,093)		(252,208)
General Plant						
482.0 Structures and Improvements	3,184,452.77	1,606,904	1,613,865	(6,961)	15.9	(438)
483.0 Office Furniture and Equipment	219,727.68	134,619	118,497	16,122	7.7	2,094
483.2 Computer Equipment and Acc.	37,419.53	23,889	145,368	(121,479)	0.0	-
484.0 Transportation & Mobile Equipment	2,207,200.13	1,066,133	1,328,874	(262,741)	5.2	(50,527)
485.0 Tools & Instruments	500,791.27	184,949	216,899	(31,950)	10.4	(3,072)
486.0 Communication Equipment	491,335.99	271,910	206,822	65,088	6.2	10,498
488.2 Houses	387,953.68	99,847	1,669,073	(1,569,226)	0.0	-
Total General Plant	7,028,881.05	3,388,251	5,299,398	(1,911,147)		(41,445)
Total Utility Plant in Service	115,734,958.43	39,879,818	49,079,657	(9,074,115)		(382,171)
Non - Depreciable Plant						
420.0 Land	119,024.92					

* Not applicable due to amortization of Dec 31/07 net book value over 10 year period, as shown on Table 1.

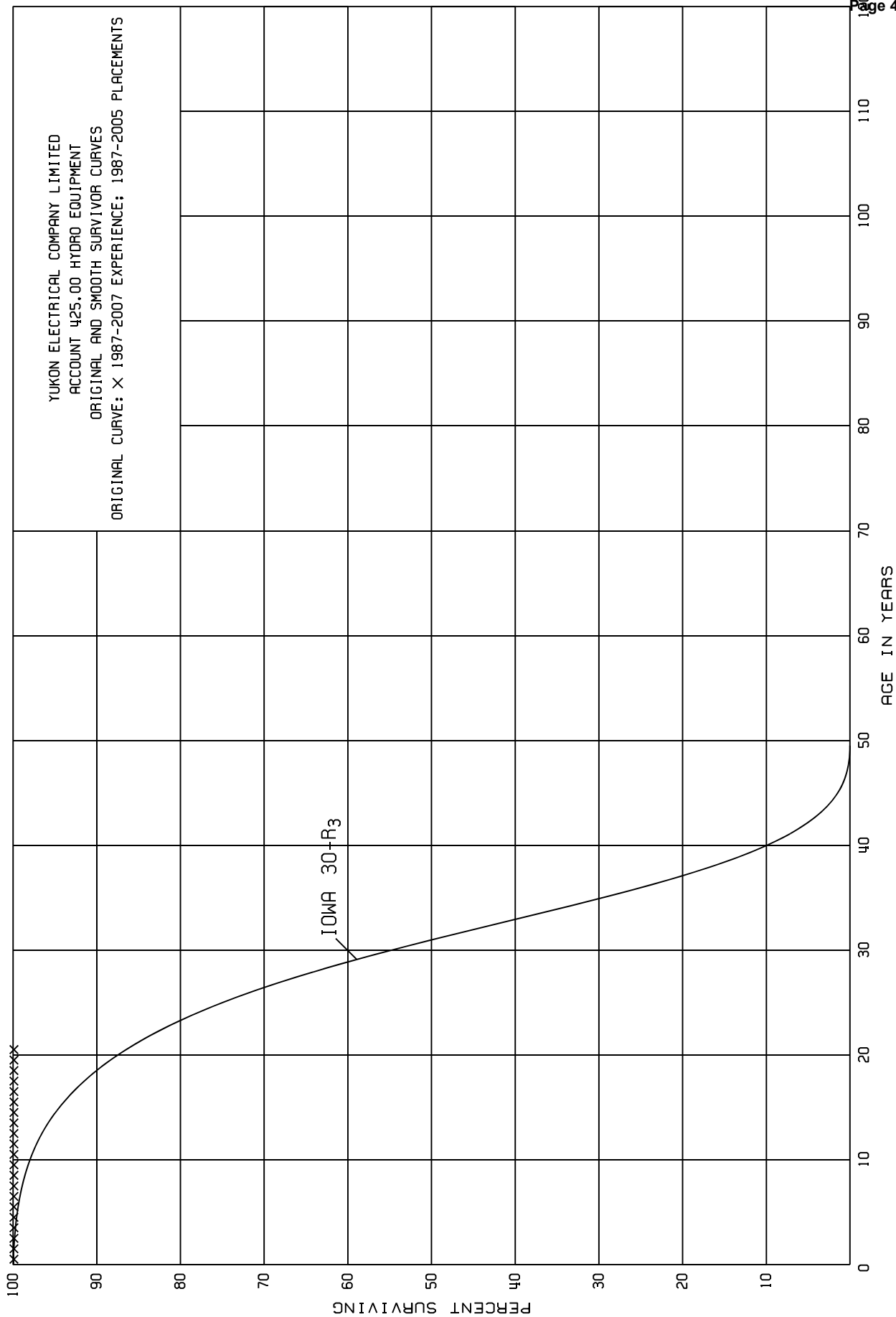
YUKON ELECTRICAL COMPANY LIMITED

**TABLE 2. CALCULATED ACCRUED DEPRECIATION, BOOK ACCUMULATED DEPRECIATION AND DETERMINATION OF ANNUAL PROVISION
FOR TRUE-UP RELATED TO ESTIMATED ORIGINAL COST AT DECEMBER 31, 2007**

SALVAGE ANALYSIS

Description (1)	Surviving Original Cost at 12/31/2007 (2)	Calculated Accrued Depreciation (3)	Book Accumulated Depreciation (4)	Accumulated Depreciation Variance (5) = (3)-(4)	Probable Remaining Life (6)	Annual Provision for True-Up (7)=(5)/(6)
Hydro Plant						
425.0 Hydro Equipment	1,418,301.07	73,898	110,393	(36,495)	15.0	(2,433)
Total Hydro Plant	1,418,301.07	73,898	110,393	(36,495)		(2,433)
Production Diesel Plant						
442.0 Structures & Improvements	1,497,843.99	-	(97,723)	97,723	26.2	3,730
444.0 Fuel Holders, Products & ACC	2,136,739.93	161,648	28,574	133,074	25.2	5,281
445.0 Gen. Equip & Prime Movers	8,444,472.84	438,604	228,658	209,946	13.1	16,026
446.0 Accessory Electric Equipment	2,141,821.19	-	25,792	(25,792)	22.6	(1,141)
447.0 Misc. Power Plant Equipment	643,165.97	7,420	7,005	415	25.9	16
Total Production Diesel Plant	14,864,043.92	607,872	192,306	415,366		23,912
Substation Plant						
457.0 Substation Equipment - Transmission	1,401,497.52	-	21,171	(21,171)	22.4	(945)
Total Substation Plant	1,401,497.52	-	21,171	(21,171)		(945)
Distribution Plant						
471.0 Land Rights	928,629.61	-	(166)	166	59.7	3
473.0 Poles, Towers, and Fixtures	22,740,165.77	4,532,500	3,876,668	655,832	23.9	27,441
474.0 Overhead Conductor	15,092,499.08	3,334,946	2,330,160	1,004,786	23.6	42,576
474.1 Overhead Services	2,305,976.34	-	68,159	(68,159)	24.9	(2,737)
475.0 Underground Conduit	17,425,892.21	191,610	(55,143)	246,753	37.0	6,669
475.1 Underground Services	2,547,049.17	-	3,618	(3,618)	28.7	(126)
476.1 Meters	1,262,811.95	-	(12,281)	-	0.0	-
476.3 AMR - Meters	8,035.69	-	-	-	21.5	-
477.1 Substation Equipment - Distribution	3,131,515.61	-	(106,434)	106,434	19.1	5,572
478.1 Street Lights & Signal Systems	7,699,005.33	324,137	(235,720)	559,857	15.5	36,120
478.2 Sentinel Lights	284,738.28	(22,975)	(105,624)	82,649	0.0	-
479.1 Line Transformers	17,595,915.83	297,015	299,153	(2,138)	23.4	(91)
Total Distribution Plant	91,022,234.87	8,657,233	6,062,390	2,582,562		115,427
General Plant						
482.0 Structures and Improvements	3,184,452.77	(80,345)	(135,119)	54,774	15.9	3,445
483.0 Office Furniture and Equipment	219,727.68	-	(4,173)	4,173	7.7	542
483.2 Computer Equipment and Acc.	37,419.53	-	-	-	0.0	-
484.0 Transportation & Mobile Equipment	2,207,200.13	(213,227)	(475,064)	261,837	5.2	50,353
485.0 Tools & Instruments	500,791.27	-	141	(141)	10.4	(14)
486.0 Communication Equipment	491,335.99	-	(6,237)	6,237	6.2	1,006
488.2 Houses	387,953.68	(9,985)	(1,077,696)	1,067,711	0.0	-
Total General Plant	7,028,881.05	(303,557)	(1,698,148)	1,394,591		55,332
Total Utility Plant in Service	115,734,958.43	9,035,246	4,688,112	4,334,853		191,293
Non - Depreciable Plant						
420.0 Land	119,024.92					

SERVICE LIFE STATISTICS



YUKON ELECTRICAL COMPANY LIMITED

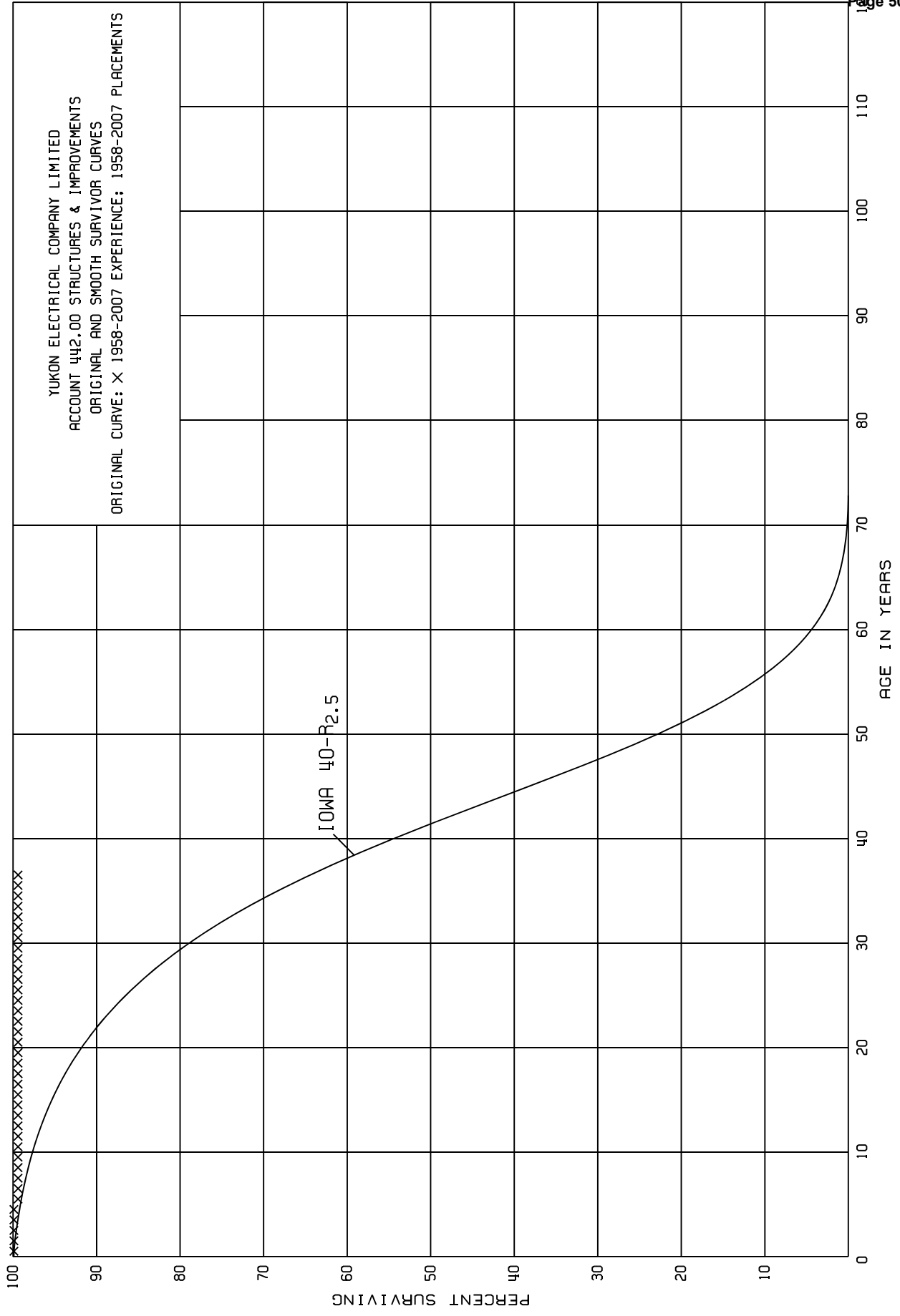
ACCOUNT 425.00 HYDRO EQUIPMENT

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1987-2005

EXPERIENCE BAND 1987-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,418,301		0.0000	1.0000	100.00
0.5	1,418,301		0.0000	1.0000	100.00
1.5	1,418,301		0.0000	1.0000	100.00
2.5	1,306,438		0.0000	1.0000	100.00
3.5	1,264,239		0.0000	1.0000	100.00
4.5	1,261,450		0.0000	1.0000	100.00
5.5	1,249,931		0.0000	1.0000	100.00
6.5	1,229,201		0.0000	1.0000	100.00
7.5	1,115,572		0.0000	1.0000	100.00
8.5	1,115,572		0.0000	1.0000	100.00
9.5	1,115,572		0.0000	1.0000	100.00
10.5	1,079,004		0.0000	1.0000	100.00
11.5	1,054,826		0.0000	1.0000	100.00
12.5	1,054,826		0.0000	1.0000	100.00
13.5	1,054,826		0.0000	1.0000	100.00
14.5	902,623		0.0000	1.0000	100.00
15.5	887,529		0.0000	1.0000	100.00
16.5	874,854		0.0000	1.0000	100.00
17.5	873,506		0.0000	1.0000	100.00
18.5	767,224		0.0000	1.0000	100.00
19.5	767,224		0.0000	1.0000	100.00
20.5					100.00



YUKON ELECTRICAL COMPANY LIMITED

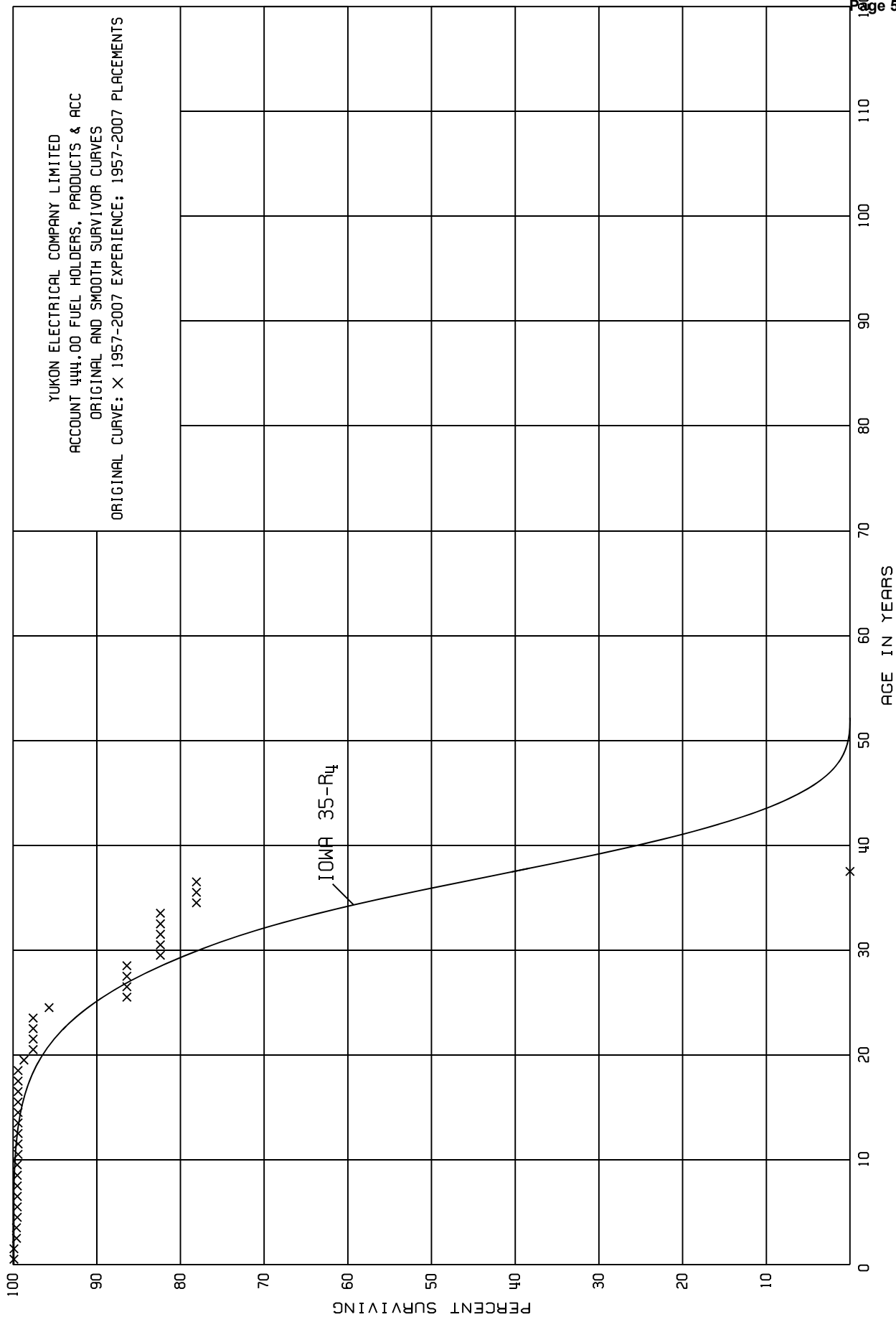
ACCOUNT 442.00 STRUCTURES & IMPROVEMENTS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1958-2007

EXPERIENCE BAND 1958-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,503,794		0.0000	1.0000	100.00
0.5	1,387,194	170	0.0001	0.9999	100.00
1.5	1,165,697		0.0000	1.0000	99.99
2.5	922,684		0.0000	1.0000	99.99
3.5	921,682		0.0000	1.0000	99.99
4.5	921,682	5,674	0.0062	0.9938	99.99
5.5	916,008		0.0000	1.0000	99.37
6.5	915,822		0.0000	1.0000	99.37
7.5	915,822		0.0000	1.0000	99.37
8.5	886,038		0.0000	1.0000	99.37
9.5	831,894		0.0000	1.0000	99.37
10.5	778,689		0.0000	1.0000	99.37
11.5	769,781		0.0000	1.0000	99.37
12.5	769,781		0.0000	1.0000	99.37
13.5	769,781		0.0000	1.0000	99.37
14.5	714,109		0.0000	1.0000	99.37
15.5	703,967		0.0000	1.0000	99.37
16.5	702,557		0.0000	1.0000	99.37
17.5	702,557		0.0000	1.0000	99.37
18.5	672,737		0.0000	1.0000	99.37
19.5	633,352	100	0.0002	0.9998	99.37
20.5	321,892		0.0000	1.0000	99.35
21.5	299,770		0.0000	1.0000	99.35
22.5	285,818		0.0000	1.0000	99.35
23.5	285,818		0.0000	1.0000	99.35
24.5	243,756		0.0000	1.0000	99.35
25.5	188,418		0.0000	1.0000	99.35
26.5	188,418	6	0.0000	1.0000	99.35
27.5	188,412		0.0000	1.0000	99.35
28.5	188,412		0.0000	1.0000	99.35
29.5	188,241		0.0000	1.0000	99.35
30.5	188,241		0.0000	1.0000	99.35
31.5	172,665		0.0000	1.0000	99.35
32.5	172,665		0.0000	1.0000	99.35
33.5	163,958		0.0000	1.0000	99.35
34.5	163,958		0.0000	1.0000	99.35
35.5	163,958		0.0000	1.0000	99.35
36.5					99.35



YUKON ELECTRICAL COMPANY LIMITED

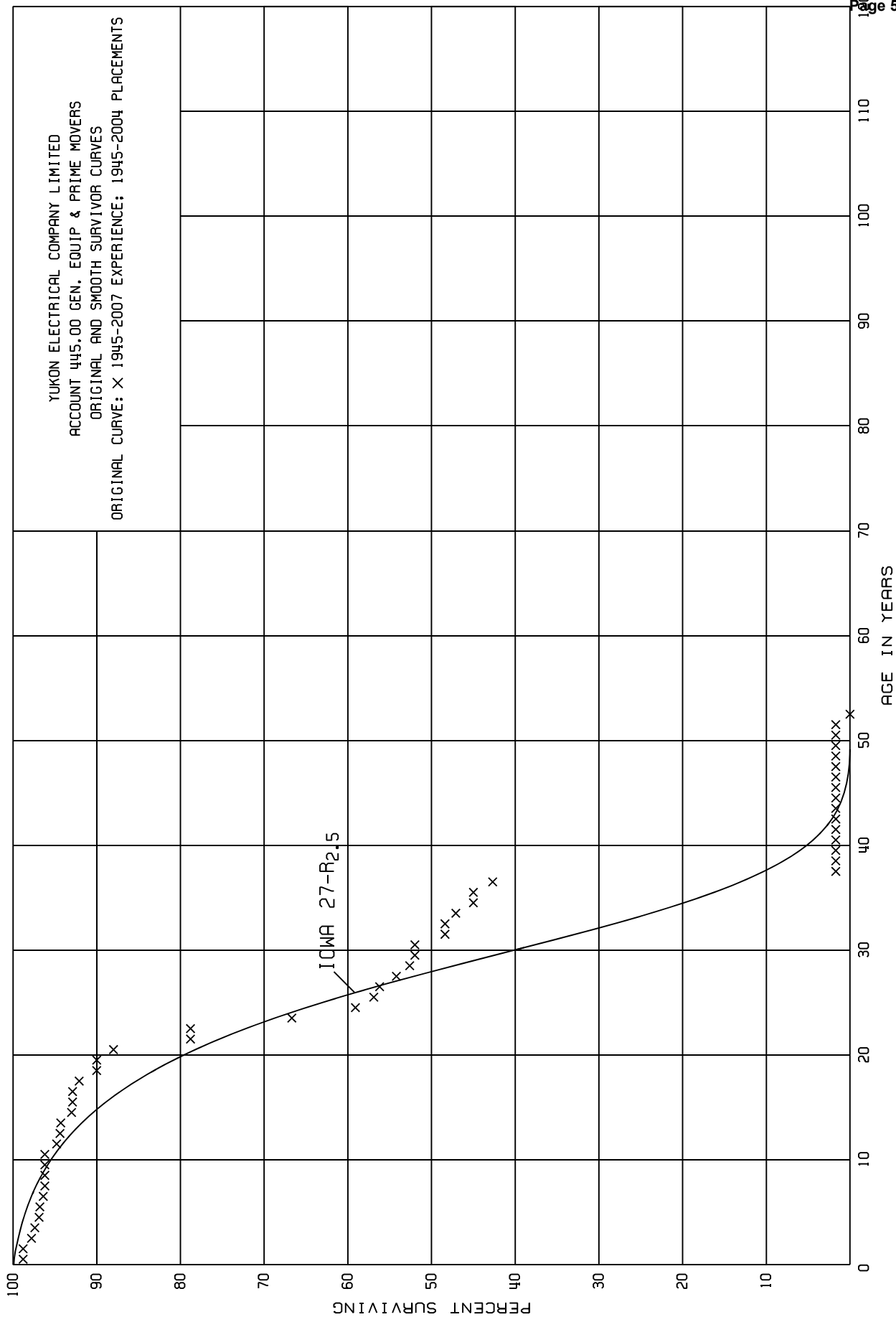
ACCOUNT 444.00 FUEL HOLDERS, PRODUCTS & ACC

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1957-2007

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,165,159		0.0000	1.0000	100.00
0.5	2,139,597		0.0000	1.0000	100.00
1.5	2,039,358	7,910	0.0039	0.9961	100.00
2.5	1,346,409		0.0000	1.0000	99.61
3.5	1,306,232	1,700	0.0013	0.9987	99.61
4.5	1,230,337	8	0.0000	1.0000	99.48
5.5	1,230,329	349	0.0003	0.9997	99.48
6.5	1,229,980		0.0000	1.0000	99.45
7.5	1,229,980		0.0000	1.0000	99.45
8.5	1,083,878		0.0000	1.0000	99.45
9.5	871,849	302	0.0003	0.9997	99.45
10.5	474,402		0.0000	1.0000	99.42
11.5	468,932		0.0000	1.0000	99.42
12.5	468,932		0.0000	1.0000	99.42
13.5	376,742	2	0.0000	1.0000	99.42
14.5	250,407		0.0000	1.0000	99.42
15.5	250,407		0.0000	1.0000	99.42
16.5	250,407		0.0000	1.0000	99.42
17.5	236,273		0.0000	1.0000	99.42
18.5	226,337	1,640	0.0072	0.9928	99.42
19.5	137,717	1,491	0.0108	0.9892	98.70
20.5	115,391		0.0000	1.0000	97.63
21.5	108,302		0.0000	1.0000	97.63
22.5	102,072		0.0000	1.0000	97.63
23.5	102,072	1,986	0.0195	0.9805	97.63
24.5	100,086	9,712	0.0970	0.9030	95.73
25.5	38,298		0.0000	1.0000	86.44
26.5	38,298		0.0000	1.0000	86.44
27.5	38,298		0.0000	1.0000	86.44
28.5	38,298	1,774	0.0463	0.9537	86.44
29.5	35,307		0.0000	1.0000	82.44
30.5	35,307		0.0000	1.0000	82.44
31.5	26,907		0.0000	1.0000	82.44
32.5	26,907		0.0000	1.0000	82.44
33.5	26,907	1,426	0.0530	0.9470	82.44
34.5	12,527		0.0000	1.0000	78.07
35.5	12,527		0.0000	1.0000	78.07
36.5	120	120	1.0000	0.0000	78.07
37.5					0.00



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 445.00 GEN. EQUIP & PRIME MOVERS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2004

EXPERIENCE BAND 1945-2007

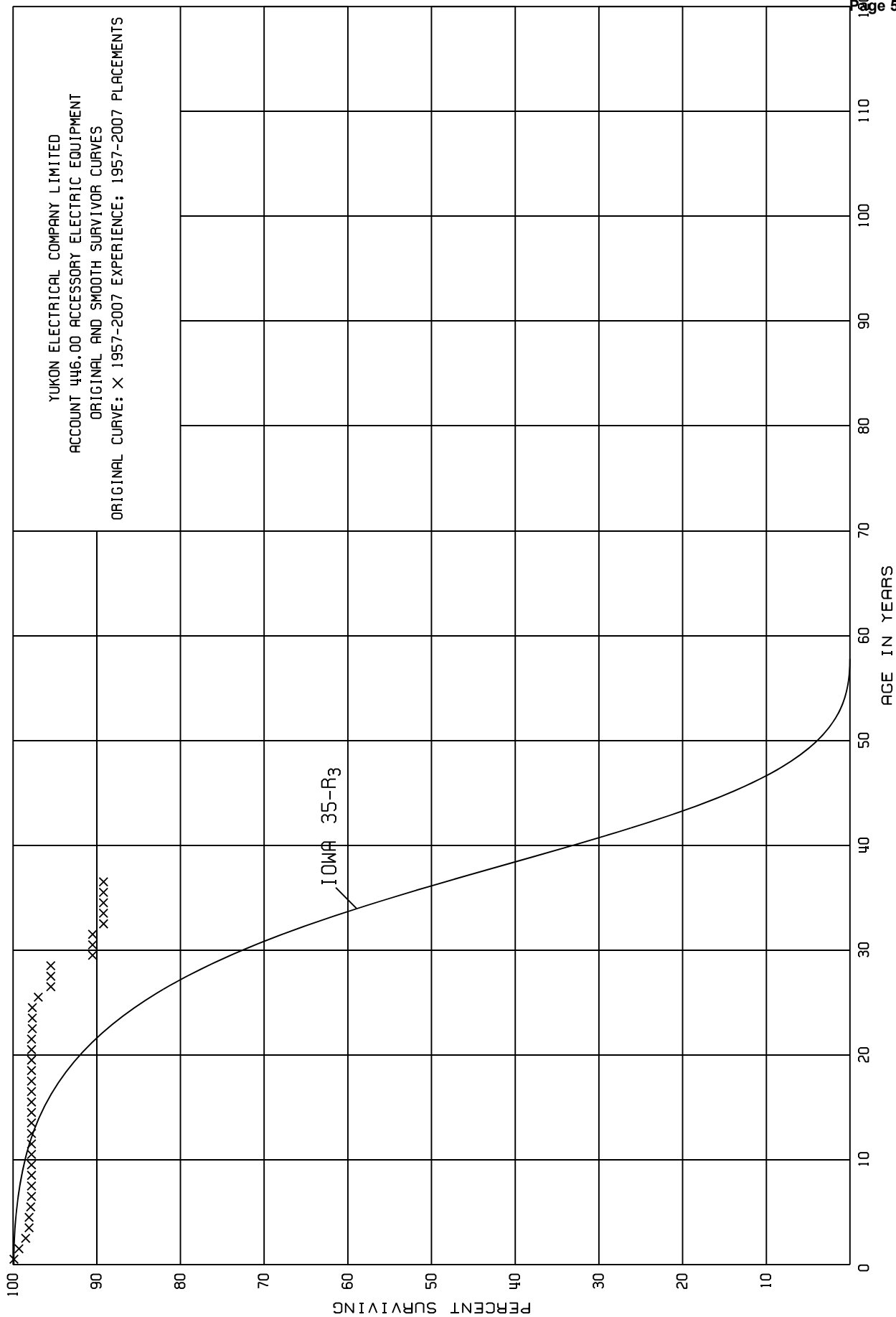
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,797,878	113,659	0.0116	0.9884	100.00
0.5	9,684,219	6,784	0.0007	0.9993	98.84
1.5	9,675,544	97,122	0.0100	0.9900	98.77
2.5	9,578,422	34,933	0.0036	0.9964	97.78
3.5	8,714,576	45,431	0.0052	0.9948	97.43
4.5	8,496,981	8,231	0.0010	0.9990	96.92
5.5	8,478,527	41,215	0.0049	0.9951	96.82
6.5	8,437,312	12,681	0.0015	0.9985	96.35
7.5	8,391,413		0.0000	1.0000	96.21
8.5	7,661,917		0.0000	1.0000	96.21
9.5	7,068,586		0.0000	1.0000	96.21
10.5	6,727,572	99,081	0.0147	0.9853	96.21
11.5	6,317,395	27,082	0.0043	0.9957	94.80
12.5	6,290,313	3,256	0.0005	0.9995	94.39
13.5	6,104,741	84,893	0.0139	0.9861	94.34
14.5	4,864,884	4,879	0.0010	0.9990	93.03
15.5	4,631,476	20	0.0000	1.0000	92.94
16.5	3,100,109	26,980	0.0087	0.9913	92.94
17.5	2,909,417	68,007	0.0234	0.9766	92.13
18.5	2,389,347		0.0000	1.0000	89.97
19.5	2,281,288	50,424	0.0221	0.9779	89.97
20.5	1,680,488	175,686	0.1045	0.8955	87.98
21.5	1,446,223		0.0000	1.0000	78.79
22.5	1,273,735	195,040	0.1531	0.8469	78.79
23.5	948,009	108,302	0.1142	0.8858	66.73
24.5	812,545	30,119	0.0371	0.9629	59.11
25.5	568,599	6,752	0.0119	0.9881	56.92
26.5	489,794	17,370	0.0355	0.9645	56.24
27.5	472,424	14,259	0.0302	0.9698	54.24
28.5	458,165	5,044	0.0110	0.9890	52.60
29.5	434,949		0.0000	1.0000	52.02
30.5	395,966	27,884	0.0704	0.9296	52.02
31.5	341,037		0.0000	1.0000	48.36
32.5	337,276	8,600	0.0255	0.9745	48.36
33.5	285,689	13,164	0.0461	0.9539	47.13
34.5	234,878		0.0000	1.0000	44.96
35.5	215,873	10,970	0.0508	0.9492	44.96
36.5	3,690	3,540	0.9593	0.0407	42.68
37.5	150		0.0000	1.0000	1.74
38.5	150		0.0000	1.0000	1.74

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 445.00 GEN. EQUIP & PRIME MOVERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2004 EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	150		0.0000	1.0000	1.74
40.5	150		0.0000	1.0000	1.74
41.5	150		0.0000	1.0000	1.74
42.5	150		0.0000	1.0000	1.74
43.5	150		0.0000	1.0000	1.74
44.5	150		0.0000	1.0000	1.74
45.5	150		0.0000	1.0000	1.74
46.5	150		0.0000	1.0000	1.74
47.5	150		0.0000	1.0000	1.74
48.5	150		0.0000	1.0000	1.74
49.5	150		0.0000	1.0000	1.74
50.5	150		0.0000	1.0000	1.74
51.5	150	150	1.0000	0.0000	1.74
52.5					0.00



YUKON ELECTRICAL COMPANY LIMITED

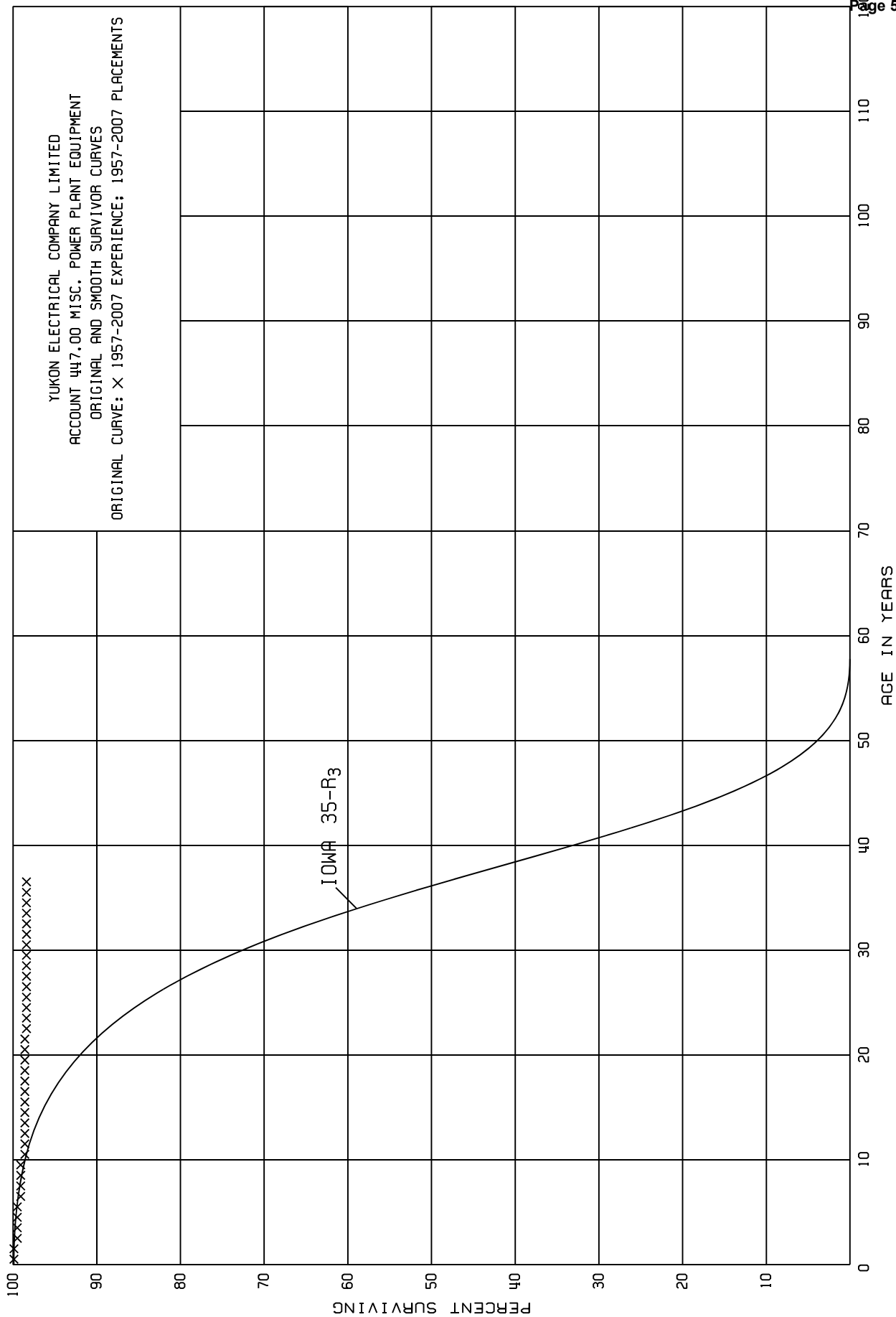
ACCOUNT 446.00 ACCESSORY ELECTRIC EQUIPMENT

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1957-2007

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,221,523		0.0000	1.0000	100.00
0.5	2,151,367	15,260	0.0071	0.9929	100.00
1.5	2,107,234	17,240	0.0082	0.9918	99.29
2.5	2,085,033	7,468	0.0036	0.9964	98.48
3.5	2,039,238		0.0000	1.0000	98.13
4.5	1,909,397	4,681	0.0025	0.9975	98.13
5.5	1,873,980	2,159	0.0012	0.9988	97.88
6.5	1,683,843	240	0.0001	0.9999	97.76
7.5	1,504,843		0.0000	1.0000	97.75
8.5	1,323,698		0.0000	1.0000	97.75
9.5	1,202,858		0.0000	1.0000	97.75
10.5	982,981		0.0000	1.0000	97.75
11.5	982,981		0.0000	1.0000	97.75
12.5	982,981		0.0000	1.0000	97.75
13.5	973,624		0.0000	1.0000	97.75
14.5	883,186		0.0000	1.0000	97.75
15.5	855,100		0.0000	1.0000	97.75
16.5	833,797		0.0000	1.0000	97.75
17.5	604,548		0.0000	1.0000	97.75
18.5	492,367		0.0000	1.0000	97.75
19.5	487,621		0.0000	1.0000	97.75
20.5	267,413		0.0000	1.0000	97.75
21.5	230,624	72	0.0003	0.9997	97.75
22.5	222,526		0.0000	1.0000	97.72
23.5	213,431		0.0000	1.0000	97.72
24.5	208,840	1,654	0.0079	0.9921	97.72
25.5	179,866	2,615	0.0145	0.9855	96.95
26.5	172,451		0.0000	1.0000	95.54
27.5	165,018		0.0000	1.0000	95.54
28.5	165,018	8,726	0.0529	0.9471	95.54
29.5	156,292		0.0000	1.0000	90.49
30.5	153,676		0.0000	1.0000	90.49
31.5	147,942	2,134	0.0144	0.9856	90.49
32.5	145,705		0.0000	1.0000	89.19
33.5	137,309		0.0000	1.0000	89.19
34.5	117,869		0.0000	1.0000	89.19
35.5	98,916		0.0000	1.0000	89.19
36.5					89.19



YUKON ELECTRICAL COMPANY LIMITED

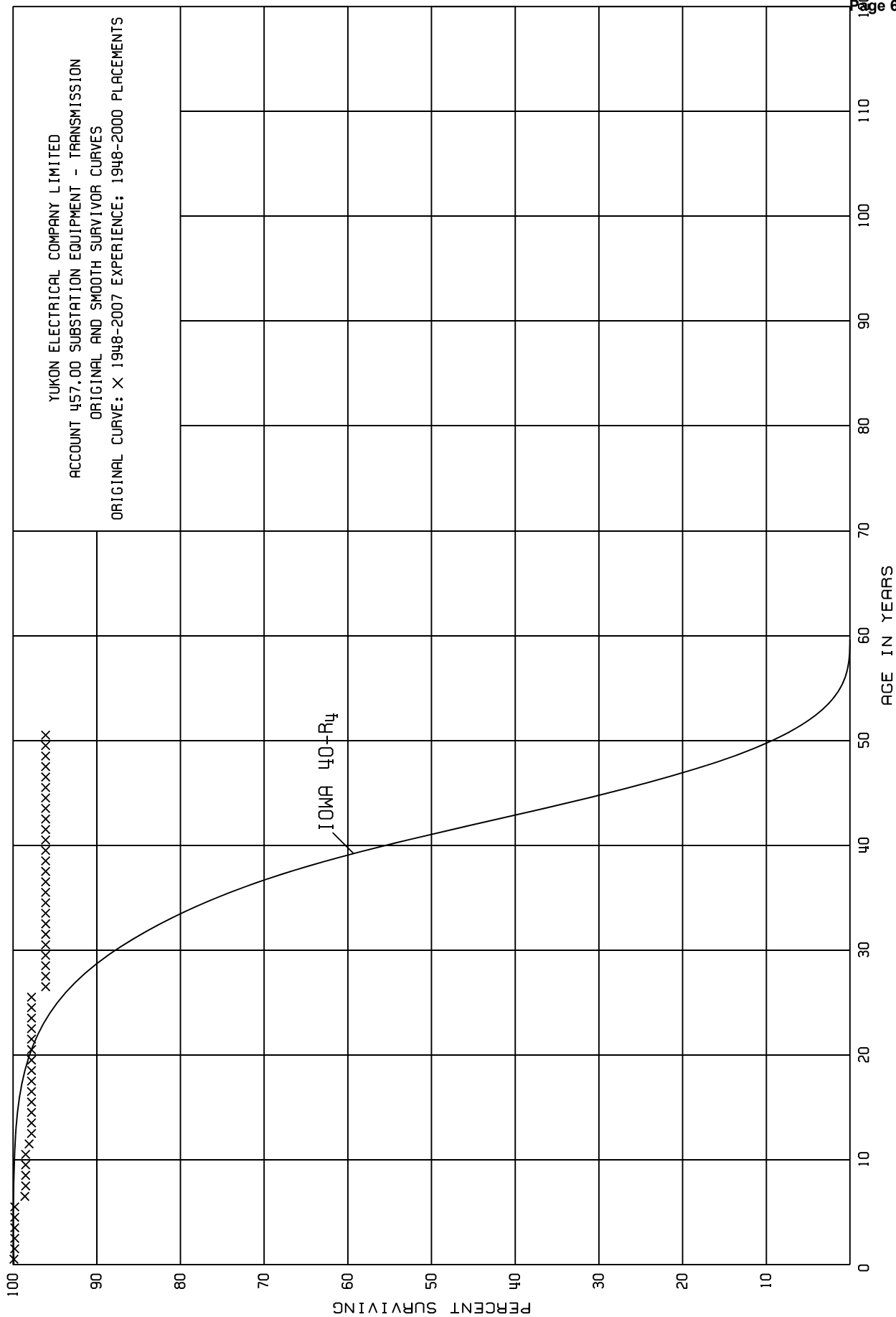
ACCOUNT 447.00 MISC. POWER PLANT EQUIPMENT

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1957-2007

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	647,762		0.0000	1.0000	100.00
0.5	425,310		0.0000	1.0000	100.00
1.5	398,242	2,205	0.0055	0.9945	100.00
2.5	377,681		0.0000	1.0000	99.45
3.5	316,109		0.0000	1.0000	99.45
4.5	279,011		0.0000	1.0000	99.45
5.5	279,011	1,000	0.0036	0.9964	99.45
6.5	278,011		0.0000	1.0000	99.09
7.5	276,561		0.0000	1.0000	99.09
8.5	268,514		0.0000	1.0000	99.09
9.5	241,066	1,327	0.0055	0.9945	99.09
10.5	185,125		0.0000	1.0000	98.55
11.5	185,049		0.0000	1.0000	98.55
12.5	185,049		0.0000	1.0000	98.55
13.5	185,049		0.0000	1.0000	98.55
14.5	184,851		0.0000	1.0000	98.55
15.5	92,609		0.0000	1.0000	98.55
16.5	58,574		0.0000	1.0000	98.55
17.5	58,574		0.0000	1.0000	98.55
18.5	58,574		0.0000	1.0000	98.55
19.5	58,574		0.0000	1.0000	98.55
20.5	44,140		0.0000	1.0000	98.55
21.5	44,140	64	0.0014	0.9986	98.55
22.5	44,076		0.0000	1.0000	98.41
23.5	44,076		0.0000	1.0000	98.41
24.5	44,076		0.0000	1.0000	98.41
25.5	21,773		0.0000	1.0000	98.41
26.5	21,773		0.0000	1.0000	98.41
27.5	21,773		0.0000	1.0000	98.41
28.5	17,594		0.0000	1.0000	98.41
29.5	17,594		0.0000	1.0000	98.41
30.5	17,594		0.0000	1.0000	98.41
31.5	17,594		0.0000	1.0000	98.41
32.5	17,594		0.0000	1.0000	98.41
33.5	17,594		0.0000	1.0000	98.41
34.5	17,594		0.0000	1.0000	98.41
35.5	17,594		0.0000	1.0000	98.41
36.5					98.41



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 457.00 SUBSTATION EQUIPMENT - TRANSMISSION

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1948-2000

EXPERIENCE BAND 1948-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,075,032		0.0000	1.0000	100.00
0.5	2,075,032	4,796	0.0023	0.9977	100.00
1.5	1,433,426		0.0000	1.0000	99.77
2.5	1,433,426		0.0000	1.0000	99.77
3.5	1,433,426		0.0000	1.0000	99.77
4.5	1,433,426	253	0.0002	0.9998	99.77
5.5	1,433,173	16,423	0.0115	0.9885	99.75
6.5	1,416,750	1,349	0.0010	0.9990	98.60
7.5	1,411,319		0.0000	1.0000	98.50
8.5	1,349,279		0.0000	1.0000	98.50
9.5	1,349,279		0.0000	1.0000	98.50
10.5	1,255,569	5,610	0.0045	0.9955	98.50
11.5	1,101,980	2,888	0.0026	0.9974	98.06
12.5	1,099,092	118	0.0001	0.9999	97.81
13.5	1,098,974		0.0000	1.0000	97.80
14.5	638,546		0.0000	1.0000	97.80
15.5	407,238	79	0.0002	0.9998	97.80
16.5	407,159		0.0000	1.0000	97.78
17.5	407,159		0.0000	1.0000	97.78
18.5	388,683		0.0000	1.0000	97.78
19.5	367,087		0.0000	1.0000	97.78
20.5	367,087	33	0.0001	0.9999	97.78
21.5	324,038		0.0000	1.0000	97.77
22.5	309,435		0.0000	1.0000	97.77
23.5	299,845		0.0000	1.0000	97.77
24.5	299,845		0.0000	1.0000	97.77
25.5	296,635	5,175	0.0174	0.9826	97.77
26.5	283,310		0.0000	1.0000	96.07
27.5	283,310		0.0000	1.0000	96.07
28.5	283,310		0.0000	1.0000	96.07
29.5	283,310		0.0000	1.0000	96.07
30.5	283,310		0.0000	1.0000	96.07
31.5	283,310		0.0000	1.0000	96.07
32.5	139,701		0.0000	1.0000	96.07
33.5	98,450		0.0000	1.0000	96.07
34.5	98,450		0.0000	1.0000	96.07
35.5	98,450		0.0000	1.0000	96.07
36.5	94,520		0.0000	1.0000	96.07
37.5	76,748		0.0000	1.0000	96.07
38.5	51,487		0.0000	1.0000	96.07

YUKON ELECTRICAL COMPANY LIMITED

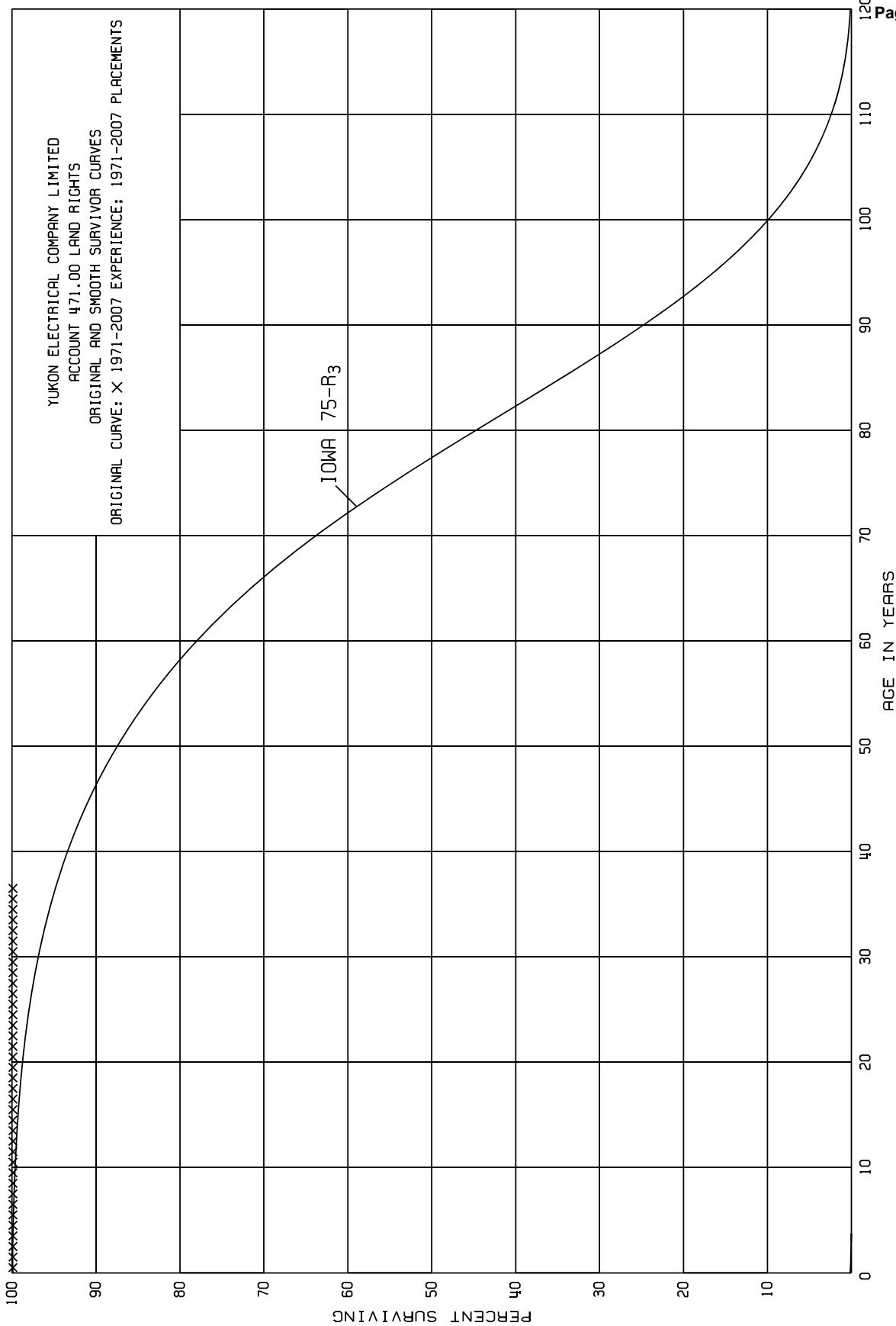
ACCOUNT 457.00 SUBSTATION EQUIPMENT - TRANSMISSION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2000

EXPERIENCE BAND 1948-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	30,078		0.0000	1.0000	96.07
40.5	21,035		0.0000	1.0000	96.07
41.5	20,938		0.0000	1.0000	96.07
42.5	20,307		0.0000	1.0000	96.07
43.5	19,978		0.0000	1.0000	96.07
44.5	18,415		0.0000	1.0000	96.07
45.5	18,415		0.0000	1.0000	96.07
46.5	17,403		0.0000	1.0000	96.07
47.5	12,434		0.0000	1.0000	96.07
48.5	12,434		0.0000	1.0000	96.07
49.5	12,434		0.0000	1.0000	96.07
50.5					96.07



YUKON ELECTRICAL COMPANY LIMITED

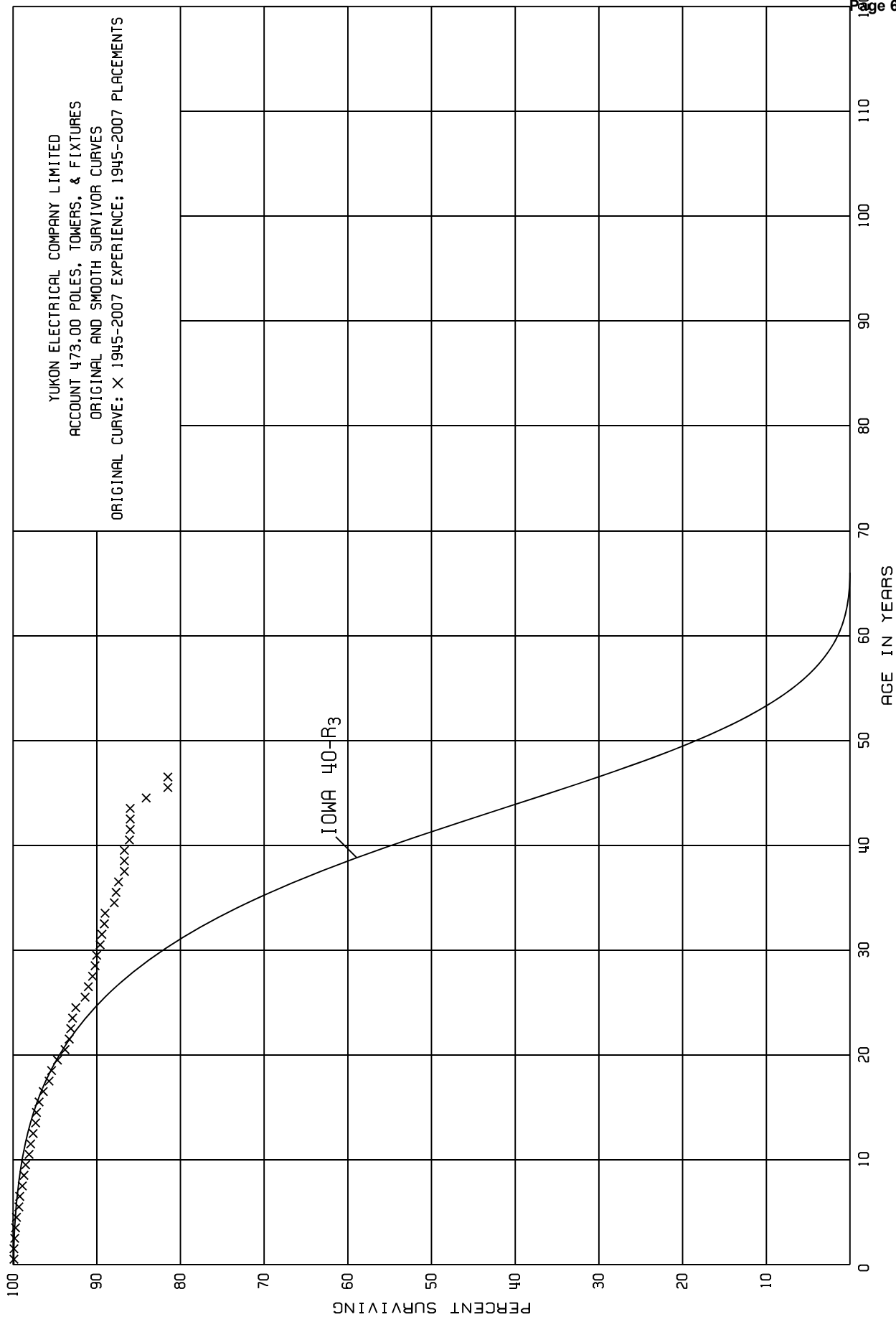
ACCOUNT 471.00 LAND RIGHTS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1971-2007

EXPERIENCE BAND 1971-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	928,630		0.0000	1.0000	100.00
0.5	859,005		0.0000	1.0000	100.00
1.5	812,751		0.0000	1.0000	100.00
2.5	608,665		0.0000	1.0000	100.00
3.5	547,739		0.0000	1.0000	100.00
4.5	485,766		0.0000	1.0000	100.00
5.5	451,118		0.0000	1.0000	100.00
6.5	395,770		0.0000	1.0000	100.00
7.5	346,100		0.0000	1.0000	100.00
8.5	296,095		0.0000	1.0000	100.00
9.5	245,573		0.0000	1.0000	100.00
10.5	105,460		0.0000	1.0000	100.00
11.5	59,374		0.0000	1.0000	100.00
12.5	14,399		0.0000	1.0000	100.00
13.5	1,698		0.0000	1.0000	100.00
14.5	1,698		0.0000	1.0000	100.00
15.5	1,698		0.0000	1.0000	100.00
16.5	1,698		0.0000	1.0000	100.00
17.5	1,698		0.0000	1.0000	100.00
18.5	1,698		0.0000	1.0000	100.00
19.5	1,698		0.0000	1.0000	100.00
20.5	1,698		0.0000	1.0000	100.00
21.5	1,698		0.0000	1.0000	100.00
22.5	1,698		0.0000	1.0000	100.00
23.5	1,698		0.0000	1.0000	100.00
24.5	1,698		0.0000	1.0000	100.00
25.5	1,698		0.0000	1.0000	100.00
26.5	1,698		0.0000	1.0000	100.00
27.5	1,698		0.0000	1.0000	100.00
28.5	1,500		0.0000	1.0000	100.00
29.5	1,500		0.0000	1.0000	100.00
30.5	1,500		0.0000	1.0000	100.00
31.5	1,500		0.0000	1.0000	100.00
32.5	1,500		0.0000	1.0000	100.00
33.5	1,500		0.0000	1.0000	100.00
34.5	1,500		0.0000	1.0000	100.00
35.5	1,500		0.0000	1.0000	100.00
36.5					100.00



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2007

EXPERIENCE BAND 1945-2007

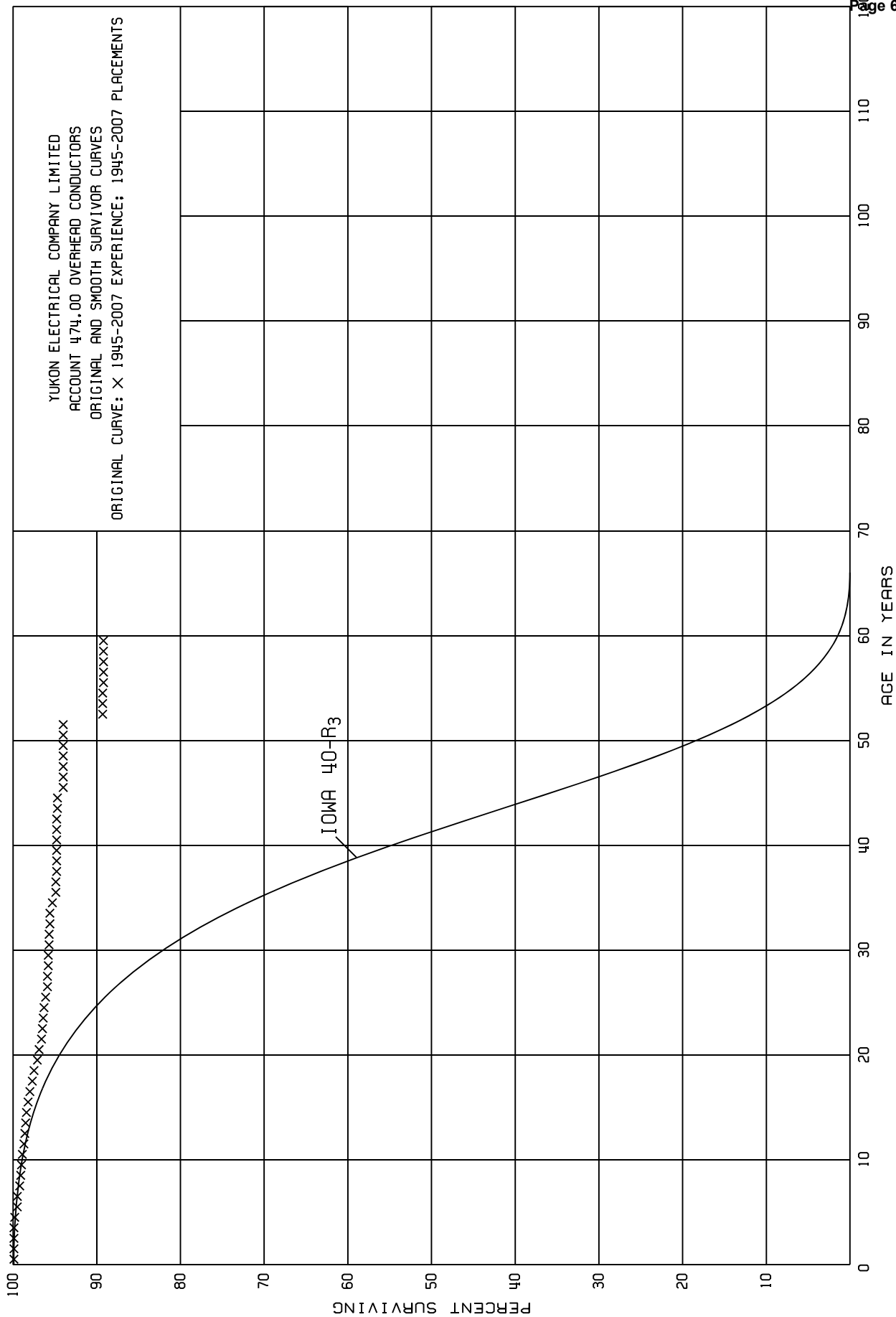
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	23,673,284	1,856	0.0001	0.9999	100.00
0.5	22,603,744	16,113	0.0007	0.9993	99.99
1.5	21,173,324	17,235	0.0008	0.9992	99.92
2.5	20,164,146	24,379	0.0012	0.9988	99.84
3.5	18,735,051	29,441	0.0016	0.9984	99.72
4.5	17,929,974	51,153	0.0029	0.9971	99.56
5.5	16,893,048	19,666	0.0012	0.9988	99.27
6.5	16,236,916	48,398	0.0030	0.9970	99.15
7.5	15,567,408	17,036	0.0011	0.9989	98.85
8.5	14,780,981	38,476	0.0026	0.9974	98.74
9.5	14,062,494	59,111	0.0042	0.9958	98.48
10.5	13,233,193	25,091	0.0019	0.9981	98.07
11.5	12,304,632	31,467	0.0026	0.9974	97.88
12.5	11,360,074	41,244	0.0036	0.9964	97.63
13.5	10,311,722	7,406	0.0007	0.9993	97.28
14.5	8,700,529	28,707	0.0033	0.9967	97.21
15.5	7,505,776	39,951	0.0053	0.9947	96.89
16.5	6,680,267	48,031	0.0072	0.9928	96.38
17.5	5,515,297	18,676	0.0034	0.9966	95.69
18.5	4,915,920	32,731	0.0067	0.9933	95.36
19.5	4,548,432	42,564	0.0094	0.9906	94.72
20.5	4,080,769	21,874	0.0054	0.9946	93.83
21.5	3,774,565	8,711	0.0023	0.9977	93.32
22.5	3,001,829	7,967	0.0027	0.9973	93.11
23.5	2,713,968	11,114	0.0041	0.9959	92.86
24.5	2,567,814	30,885	0.0120	0.9880	92.48
25.5	2,181,261	7,891	0.0036	0.9964	91.37
26.5	2,037,078	12,398	0.0061	0.9939	91.04
27.5	1,899,926	5,145	0.0027	0.9973	90.48
28.5	1,686,048	5,128	0.0030	0.9970	90.24
29.5	1,460,303	5,759	0.0039	0.9961	89.97
30.5	1,207,698	3,076	0.0025	0.9975	89.62
31.5	1,104,421	3,884	0.0035	0.9965	89.40
32.5	944,228	1,466	0.0016	0.9984	89.09
33.5	843,115	9,986	0.0118	0.9882	88.95
34.5	729,063	1,927	0.0026	0.9974	87.90
35.5	587,533	2,161	0.0037	0.9963	87.67
36.5	565,589	4,002	0.0071	0.9929	87.35
37.5	537,467		0.0000	1.0000	86.73
38.5	430,552	283	0.0007	0.9993	86.73

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2007 EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	323,173	2,126	0.0066	0.9934	86.67
40.5	277,321	369	0.0013	0.9987	86.10
41.5	205,408		0.0000	1.0000	85.99
42.5	180,130		0.0000	1.0000	85.99
43.5	154,058	3,465	0.0225	0.9775	85.99
44.5	127,334	3,910	0.0307	0.9693	84.06
45.5	104,737	36	0.0003	0.9997	81.48
46.5	81,450	1,422-	0.0175-	1.0175	81.46
47.5	8,528	5,316-	0.6234-		
48.5	3,501		0.0000		
49.5					



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.00 OVERHEAD CONDUCTORS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2007

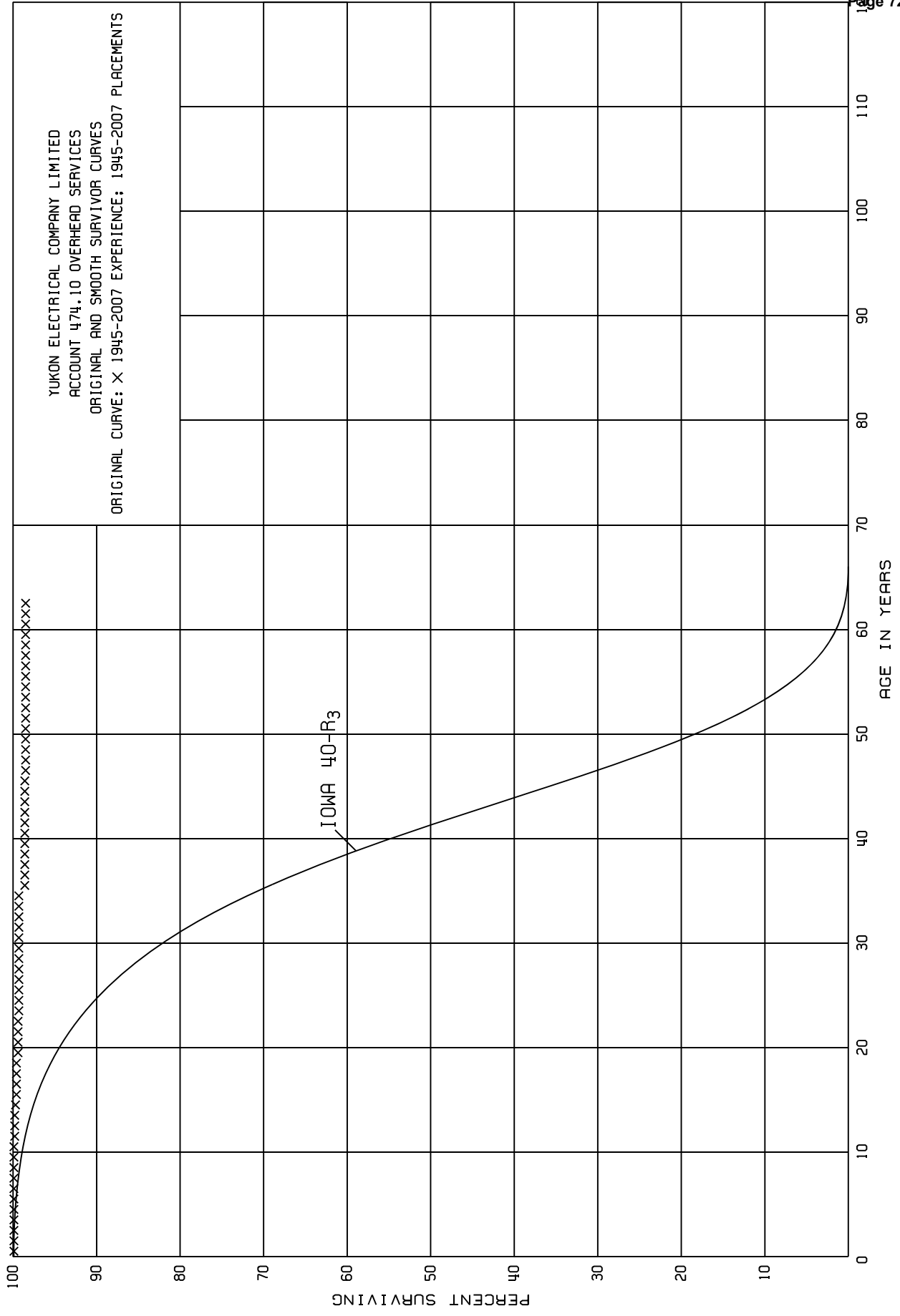
EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,341,452	1,575	0.0001	0.9999	100.00
0.5	13,835,948	5,213	0.0004	0.9996	99.99
1.5	12,670,165	5,278	0.0004	0.9996	99.95
2.5	11,870,919	7,388	0.0006	0.9994	99.91
3.5	11,085,520	7,831	0.0007	0.9993	99.85
4.5	10,654,090	25,606	0.0024	0.9976	99.78
5.5	10,117,399	8,327	0.0008	0.9992	99.54
6.5	9,636,325	23,536	0.0024	0.9976	99.46
7.5	9,133,372	6,987	0.0008	0.9992	99.22
8.5	8,714,946	14,933	0.0017	0.9983	99.14
9.5	8,289,630	9,643	0.0012	0.9988	98.97
10.5	7,758,288	8,490	0.0011	0.9989	98.85
11.5	7,189,138	10,112	0.0014	0.9986	98.74
12.5	6,821,066	9,542	0.0014	0.9986	98.60
13.5	6,347,870	6,227	0.0010	0.9990	98.46
14.5	5,517,218	10,563	0.0019	0.9981	98.36
15.5	5,019,989	10,584	0.0021	0.9979	98.17
16.5	4,489,633	12,246	0.0027	0.9973	97.96
17.5	3,796,718	8,283	0.0022	0.9978	97.70
18.5	3,455,665	14,085	0.0041	0.9959	97.49
19.5	3,202,395	7,130	0.0022	0.9978	97.09
20.5	2,866,639	7,233	0.0025	0.9975	96.88
21.5	2,722,723	2,606	0.0010	0.9990	96.64
22.5	2,041,090	2,887	0.0014	0.9986	96.54
23.5	1,912,593	2,754	0.0014	0.9986	96.40
24.5	1,777,793	3,830	0.0022	0.9978	96.27
25.5	1,563,653	2,239	0.0014	0.9986	96.06
26.5	1,469,331	473	0.0003	0.9997	95.93
27.5	1,345,747	1,058	0.0008	0.9992	95.90
28.5	1,267,247	616	0.0005	0.9995	95.82
29.5	1,170,368	605	0.0005	0.9995	95.77
30.5	1,022,613	344	0.0003	0.9997	95.72
31.5	915,080	619	0.0007	0.9993	95.69
32.5	768,700	457	0.0006	0.9994	95.62
33.5	710,528	1,658	0.0023	0.9977	95.56
34.5	600,307	2,842	0.0047	0.9953	95.34
35.5	487,154	194	0.0004	0.9996	94.89
36.5	467,865	46	0.0001	0.9999	94.85
37.5	439,478		0.0000	1.0000	94.84
38.5	314,306	7	0.0000	1.0000	94.84

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 474.00 OVERHEAD CONDUCTORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2007			EXPERIENCE BAND 1945-2007			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	246,044	83	0.0003	0.9997	94.84	
40.5	209,981	1	0.0000	1.0000	94.81	
41.5	163,478	69	0.0004	0.9996	94.81	
42.5	147,043	97	0.0007	0.9993	94.77	
43.5	135,943		0.0000	1.0000	94.70	
44.5	121,700	967	0.0079	0.9921	94.70	
45.5	108,633		0.0000	1.0000	93.95	
46.5	99,340		0.0000	1.0000	93.95	
47.5	26,820		0.0000	1.0000	93.95	
48.5	18,780		0.0000	1.0000	93.95	
49.5	13,221		0.0000	1.0000	93.95	
50.5	12,284		0.0000	1.0000	93.95	
51.5	9,541	470	0.0493	0.9507	93.95	
52.5	7,428		0.0000	1.0000	89.32	
53.5	4,790		0.0000	1.0000	89.32	
54.5	2,761	5	0.0018	0.9982	89.32	
55.5	1,629		0.0000	1.0000	89.16	
56.5	890		0.0000	1.0000	89.16	
57.5	766		0.0000	1.0000	89.16	
58.5	256		0.0000	1.0000	89.16	
59.5					89.16	



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2007

EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,323,701		0.0000	1.0000	100.00
0.5	2,130,342	13	0.0000	1.0000	100.00
1.5	1,993,976		0.0000	1.0000	100.00
2.5	1,929,364		0.0000	1.0000	100.00
3.5	1,847,014	23	0.0000	1.0000	100.00
4.5	1,788,372		0.0000	1.0000	100.00
5.5	1,726,922	531	0.0003	0.9997	100.00
6.5	1,696,729	774	0.0005	0.9995	99.97
7.5	1,657,533	737	0.0004	0.9996	99.92
8.5	1,615,299	115	0.0001	0.9999	99.88
9.5	1,567,893	236	0.0002	0.9998	99.87
10.5	1,520,838	222	0.0001	0.9999	99.85
11.5	1,520,616	90	0.0001	0.9999	99.84
12.5	1,464,334	610	0.0004	0.9996	99.83
13.5	1,398,669	1,232	0.0009	0.9991	99.79
14.5	1,285,192	769	0.0006	0.9994	99.70
15.5	1,114,504	265	0.0002	0.9998	99.64
16.5	999,558	43	0.0000	1.0000	99.62
17.5	901,361	554	0.0006	0.9994	99.62
18.5	816,581	1,093	0.0013	0.9987	99.56
19.5	744,952	364	0.0005	0.9995	99.43
20.5	676,472	165	0.0002	0.9998	99.38
21.5	624,442	34	0.0001	0.9999	99.36
22.5	590,683	329	0.0006	0.9994	99.35
23.5	549,937		0.0000	1.0000	99.29
24.5	509,327		0.0000	1.0000	99.29
25.5	477,702		0.0000	1.0000	99.29
26.5	424,234		0.0000	1.0000	99.29
27.5	380,748		0.0000	1.0000	99.29
28.5	328,296		0.0000	1.0000	99.29
29.5	263,123		0.0000	1.0000	99.29
30.5	220,528		0.0000	1.0000	99.29
31.5	182,279		0.0000	1.0000	99.29
32.5	147,544		0.0000	1.0000	99.29
33.5	127,361		0.0000	1.0000	99.29
34.5	112,361	732	0.0065	0.9935	99.29
35.5	98,554		0.0000	1.0000	98.64
36.5	86,289		0.0000	1.0000	98.64
37.5	72,427		0.0000	1.0000	98.64
38.5	64,880		0.0000	1.0000	98.64

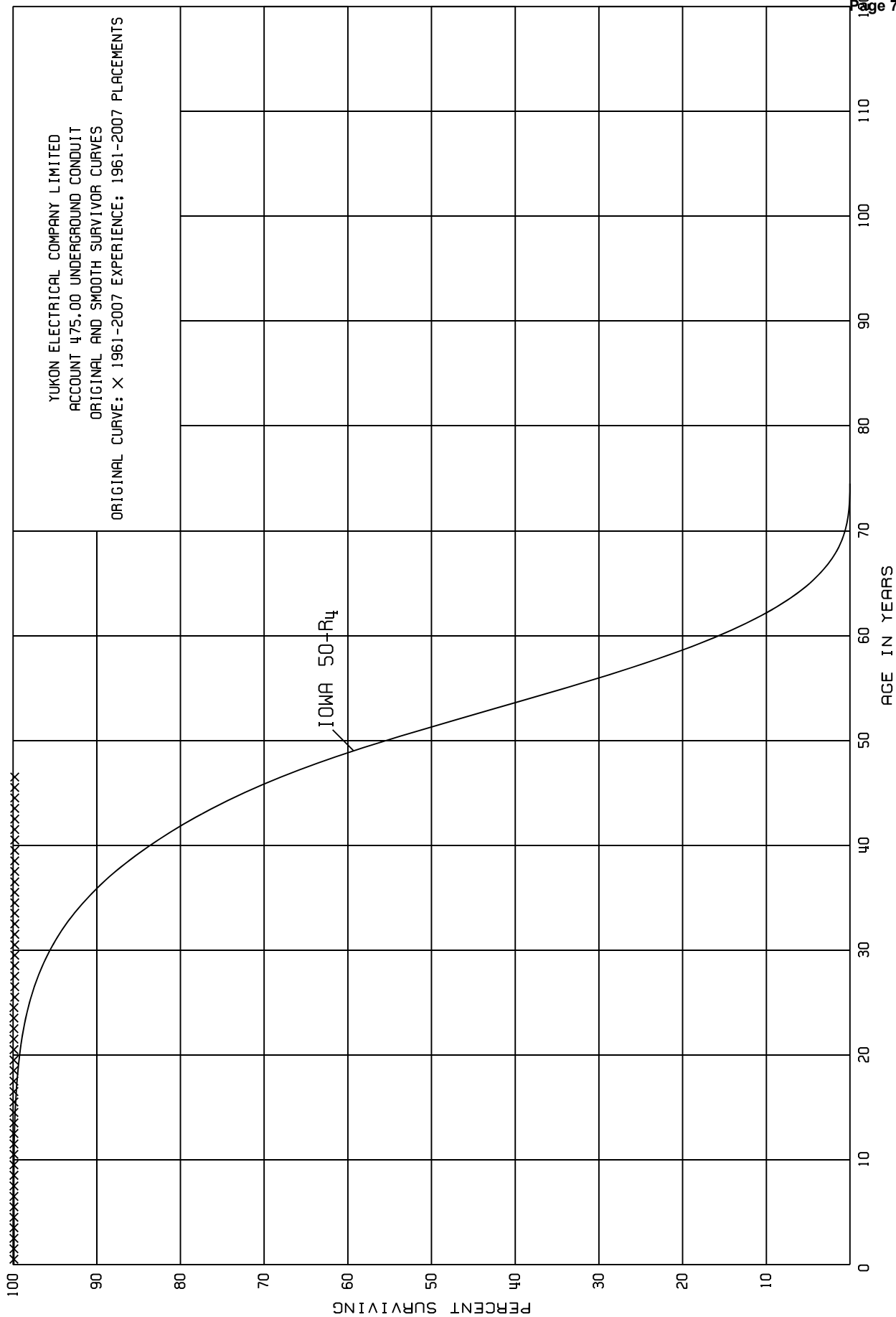
YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2007 EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	56,880		0.0000	1.0000	98.64
40.5	49,399		0.0000	1.0000	98.64
41.5	44,802		0.0000	1.0000	98.64
42.5	41,573		0.0000	1.0000	98.64
43.5	37,013		0.0000	1.0000	98.64
44.5	34,489		0.0000	1.0000	98.64
45.5	29,161	32	0.0011	0.9989	98.64
46.5	27,041		0.0000	1.0000	98.53
47.5	25,481		0.0000	1.0000	98.53
48.5	23,948		0.0000	1.0000	98.53
49.5	22,778		0.0000	1.0000	98.53
50.5	19,186		0.0000	1.0000	98.53
51.5	15,861		0.0000	1.0000	98.53
52.5	13,090		0.0000	1.0000	98.53
53.5	9,893		0.0000	1.0000	98.53
54.5	7,434		0.0000	1.0000	98.53
55.5	6,068		0.0000	1.0000	98.53
56.5	5,167		0.0000	1.0000	98.53
57.5	4,359		0.0000	1.0000	98.53
58.5	3,686		0.0000	1.0000	98.53
59.5	3,116		0.0000	1.0000	98.53
60.5	2,640		0.0000	1.0000	98.53
61.5	2,225		0.0000	1.0000	98.53
62.5					98.53



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 475.00 UNDERGROUND CONDUIT

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1961-2007

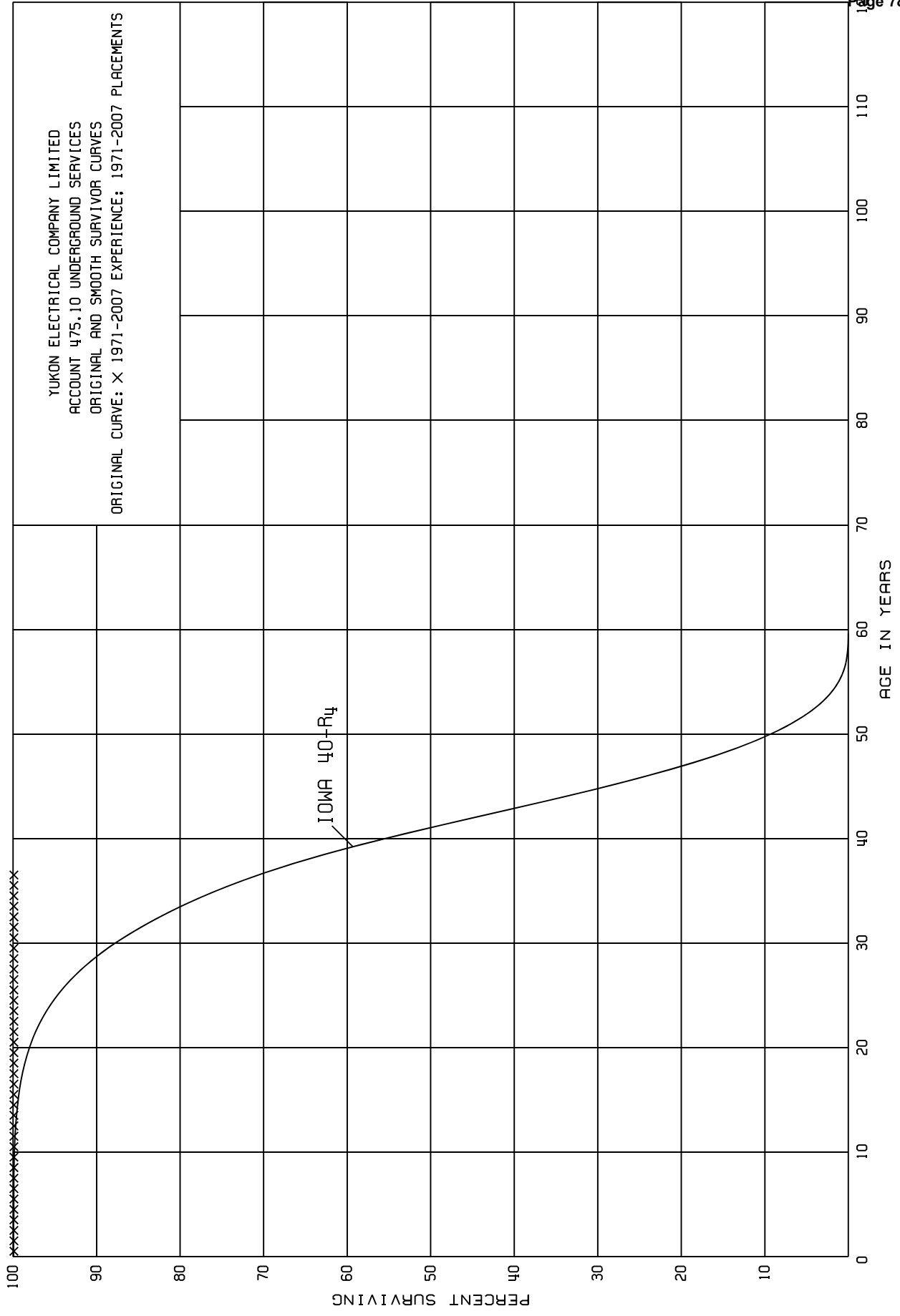
EXPERIENCE BAND 1961-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,433,066	306	0.0000	1.0000	100.00
0.5	16,602,541	200	0.0000	1.0000	100.00
1.5	15,861,826	588	0.0000	1.0000	100.00
2.5	15,137,222	7	0.0000	1.0000	100.00
3.5	14,139,604	2	0.0000	1.0000	100.00
4.5	12,986,267	97	0.0000	1.0000	100.00
5.5	11,972,353	314	0.0000	1.0000	100.00
6.5	10,248,225	339	0.0000	1.0000	100.00
7.5	9,720,342		0.0000	1.0000	100.00
8.5	8,844,078	378	0.0000	1.0000	100.00
9.5	8,185,567	81	0.0000	1.0000	100.00
10.5	7,065,089		0.0000	1.0000	100.00
11.5	6,531,830	1,440	0.0002	0.9998	100.00
12.5	5,405,676	20	0.0000	1.0000	99.98
13.5	5,137,834		0.0000	1.0000	99.98
14.5	4,141,294	2,151	0.0005	0.9995	99.98
15.5	3,402,665		0.0000	1.0000	99.93
16.5	3,230,727	41	0.0000	1.0000	99.93
17.5	2,991,444	490	0.0002	0.9998	99.93
18.5	1,608,342	455	0.0003	0.9997	99.91
19.5	1,537,626	12	0.0000	1.0000	99.88
20.5	1,356,490	81	0.0001	0.9999	99.88
21.5	1,334,443	72	0.0001	0.9999	99.87
22.5	1,273,142	11	0.0000	1.0000	99.86
23.5	1,240,455	38	0.0000	1.0000	99.86
24.5	1,172,121	660	0.0006	0.9994	99.86
25.5	1,122,150	3	0.0000	1.0000	99.80
26.5	1,098,881		0.0000	1.0000	99.80
27.5	382,237		0.0000	1.0000	99.80
28.5	365,229	5	0.0000	1.0000	99.80
29.5	107,968	15	0.0001	0.9999	99.80
30.5	103,404	3	0.0000	1.0000	99.79
31.5	36,731	7	0.0002	0.9998	99.79
32.5	28,137	5	0.0002	0.9998	99.77
33.5	20,759		0.0000	1.0000	99.75
34.5	15,703		0.0000	1.0000	99.75
35.5	1,549		0.0000	1.0000	99.75
36.5	1,484		0.0000	1.0000	99.75
37.5	1,484		0.0000	1.0000	99.75
38.5	127		0.0000	1.0000	99.75

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 475.00 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1961-2007			EXPERIENCE BAND 1961-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	127		0.0000	1.0000	99.75
40.5	127		0.0000	1.0000	99.75
41.5	127		0.0000	1.0000	99.75
42.5	127		0.0000	1.0000	99.75
43.5	127		0.0000	1.0000	99.75
44.5	127		0.0000	1.0000	99.75
45.5	127		0.0000	1.0000	99.75
46.5					99.75



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 475.10 UNDERGROUND SERVICES

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1971-2007

EXPERIENCE BAND 1971-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,547,025		0.0000	1.0000	100.00
0.5	2,383,255		0.0000	1.0000	100.00
1.5	2,149,766		0.0000	1.0000	100.00
2.5	2,000,569		0.0000	1.0000	100.00
3.5	1,791,310		0.0000	1.0000	100.00
4.5	1,714,016	25-	0.0000	1.0000	100.00
5.5	1,639,865		0.0000	1.0000	100.00
6.5	1,572,290		0.0000	1.0000	100.00
7.5	1,553,613		0.0000	1.0000	100.00
8.5	1,480,423		0.0000	1.0000	100.00
9.5	1,380,560		0.0000	1.0000	100.00
10.5	1,254,651		0.0000	1.0000	100.00
11.5	1,027,935		0.0000	1.0000	100.00
12.5	903,514		0.0000	1.0000	100.00
13.5	818,516		0.0000	1.0000	100.00
14.5	620,209		0.0000	1.0000	100.00
15.5	464,685		0.0000	1.0000	100.00
16.5	374,648		0.0000	1.0000	100.00
17.5	304,964		0.0000	1.0000	100.00
18.5	238,665		0.0000	1.0000	100.00
19.5	181,026	1	0.0000	1.0000	100.00
20.5	116,477		0.0000	1.0000	100.00
21.5	68,732		0.0000	1.0000	100.00
22.5	65,984		0.0000	1.0000	100.00
23.5	59,882		0.0000	1.0000	100.00
24.5	55,696		0.0000	1.0000	100.00
25.5	49,409		0.0000	1.0000	100.00
26.5	34,917		0.0000	1.0000	100.00
27.5	29,718		0.0000	1.0000	100.00
28.5	13,417		0.0000	1.0000	100.00
29.5	1,422		0.0000	1.0000	100.00
30.5	67		0.0000	1.0000	100.00
31.5	67		0.0000	1.0000	100.00
32.5	67		0.0000	1.0000	100.00
33.5	67		0.0000	1.0000	100.00
34.5	67		0.0000	1.0000	100.00
35.5	67		0.0000	1.0000	100.00
36.5					100.00

YUKON ELECTRICAL COMPANY LIMITED

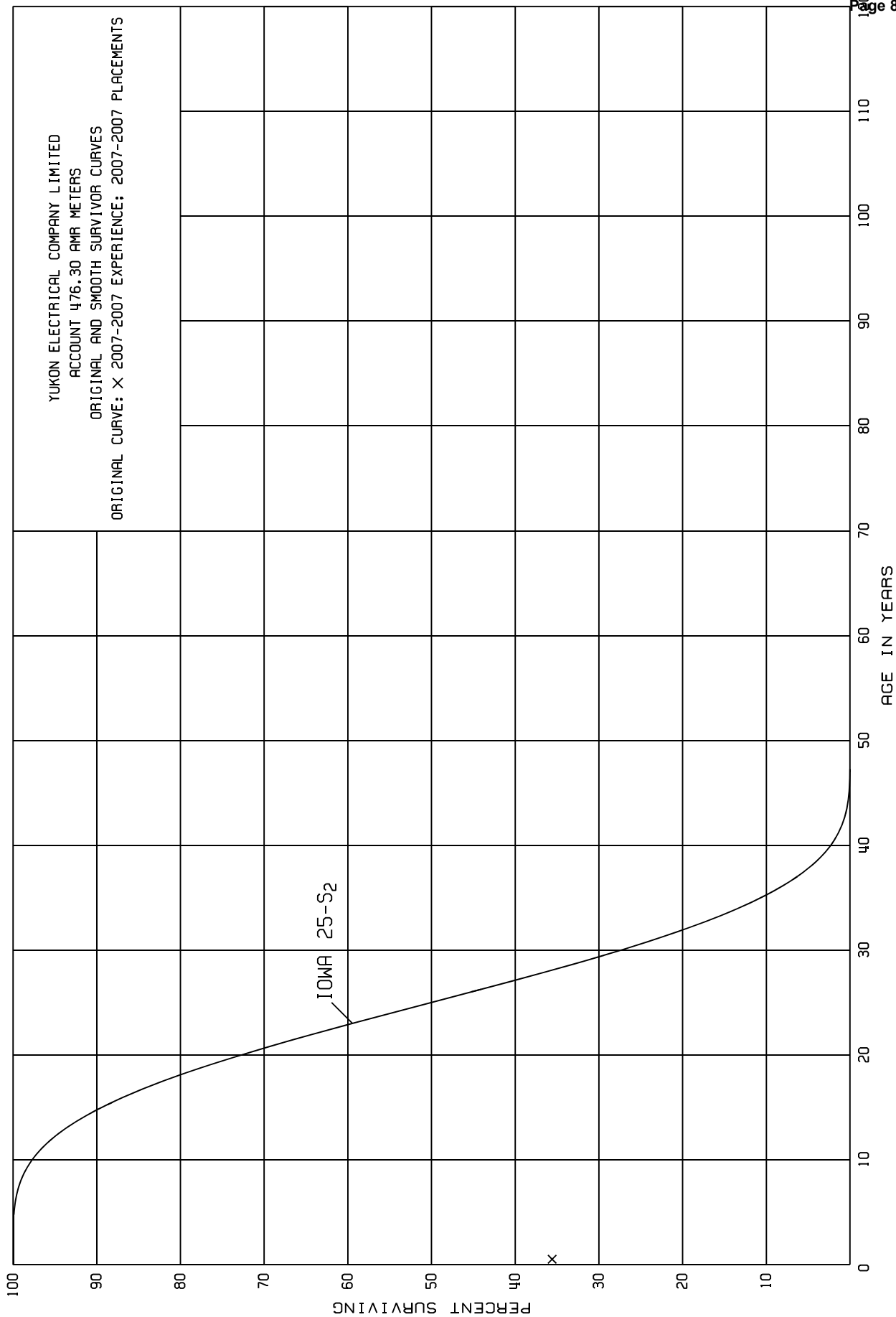
ACCOUNT 476.10 METERS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2007

EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,214,282	5,978	0.0027	0.9973	100.00
0.5	2,154,297	8,457	0.0039	0.9961	99.73
1.5	2,068,046	14,667	0.0071	0.9929	99.34
2.5	2,014,758	48,560	0.0241	0.9759	98.63
3.5	1,840,130	45,525	0.0247	0.9753	96.25
4.5	1,663,849	61,623	0.0370	0.9630	93.87
5.5	1,539,473	17,067	0.0111	0.9889	90.40
6.5	1,477,418	28,297	0.0192	0.9808	89.40
7.5	1,321,772	50,738	0.0384	0.9616	87.68
8.5	1,199,411	36,313	0.0303	0.9697	84.31
9.5	1,067,434	37,331	0.0350	0.9650	81.76
10.5	1,010,021	34,611	0.0343	0.9657	78.90
11.5	966,793	46,583	0.0482	0.9518	76.19
12.5	910,413	52,108	0.0572	0.9428	72.52
13.5	852,100	30,591	0.0359	0.9641	68.37
14.5	758,941	34,884	0.0460	0.9540	65.92
15.5	666,685	24,923	0.0374	0.9626	62.89
16.5	609,848	26,652	0.0437	0.9563	60.54
17.5	536,036	21,722	0.0405	0.9595	57.89
18.5	458,400	36,885	0.0805	0.9195	55.55
19.5	397,350	25,418	0.0640	0.9360	51.08
20.5	363,322	30,677	0.0844	0.9156	47.81
21.5	328,075	16,664	0.0508	0.9492	43.77
22.5	306,829	24,125	0.0786	0.9214	41.55
23.5	280,436	31,086	0.1108	0.8892	38.28
24.5	248,788	28,152	0.1132	0.8868	34.04
25.5	215,402	28,996	0.1346	0.8654	30.19
26.5	182,818	25,493	0.1394	0.8606	26.13
27.5	152,980	13,834	0.0904	0.9096	22.49
28.5	138,677	14,753	0.1064	0.8936	20.46
29.5	109,453	8,913	0.0814	0.9186	18.28
30.5	98,380	14,656	0.1490	0.8510	16.79
31.5	73,840	15,527	0.2103	0.7897	14.29
32.5	47,137	6,110	0.1296	0.8704	11.28
33.5	39,962	2,423	0.0606	0.9394	9.82
34.5	23,952	1,579	0.0659	0.9341	9.22
35.5	17,401	450-	0.0259-	1.0259	8.61
36.5	7,274		0.0000		
37.5	96		0.0000		
38.5					



YUKON ELECTRICAL COMPANY LIMITED

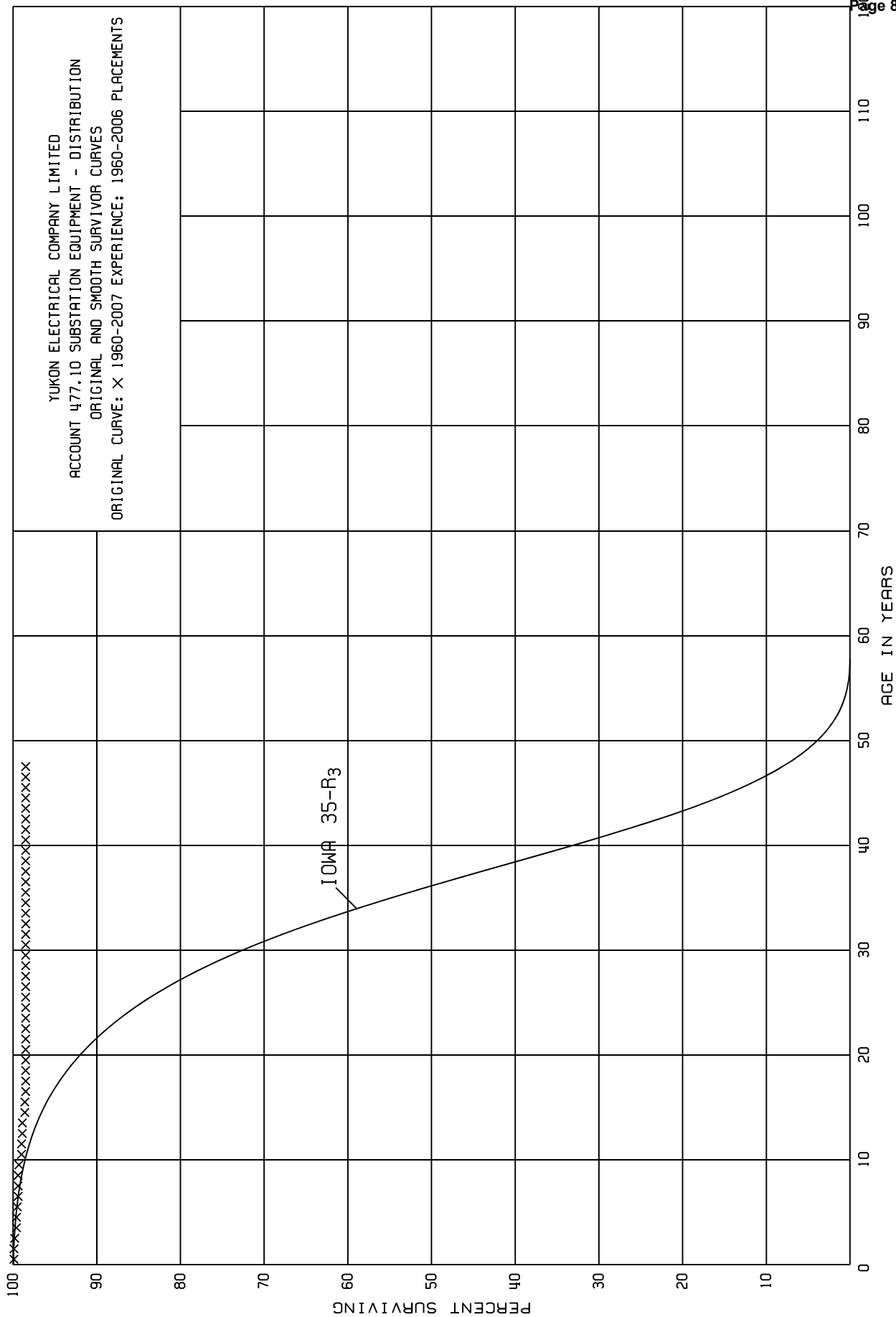
ACCOUNT 476.30 AMR METERS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 2007-2007

EXPERIENCE BAND 2007-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	22,560	14,525	0.6438	0.3562	100.00
0.5					35.62



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 477.10 SUBSTATION EQUIPMENT - DISTRIBUTION

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1960-2006

EXPERIENCE BAND 1960-2007

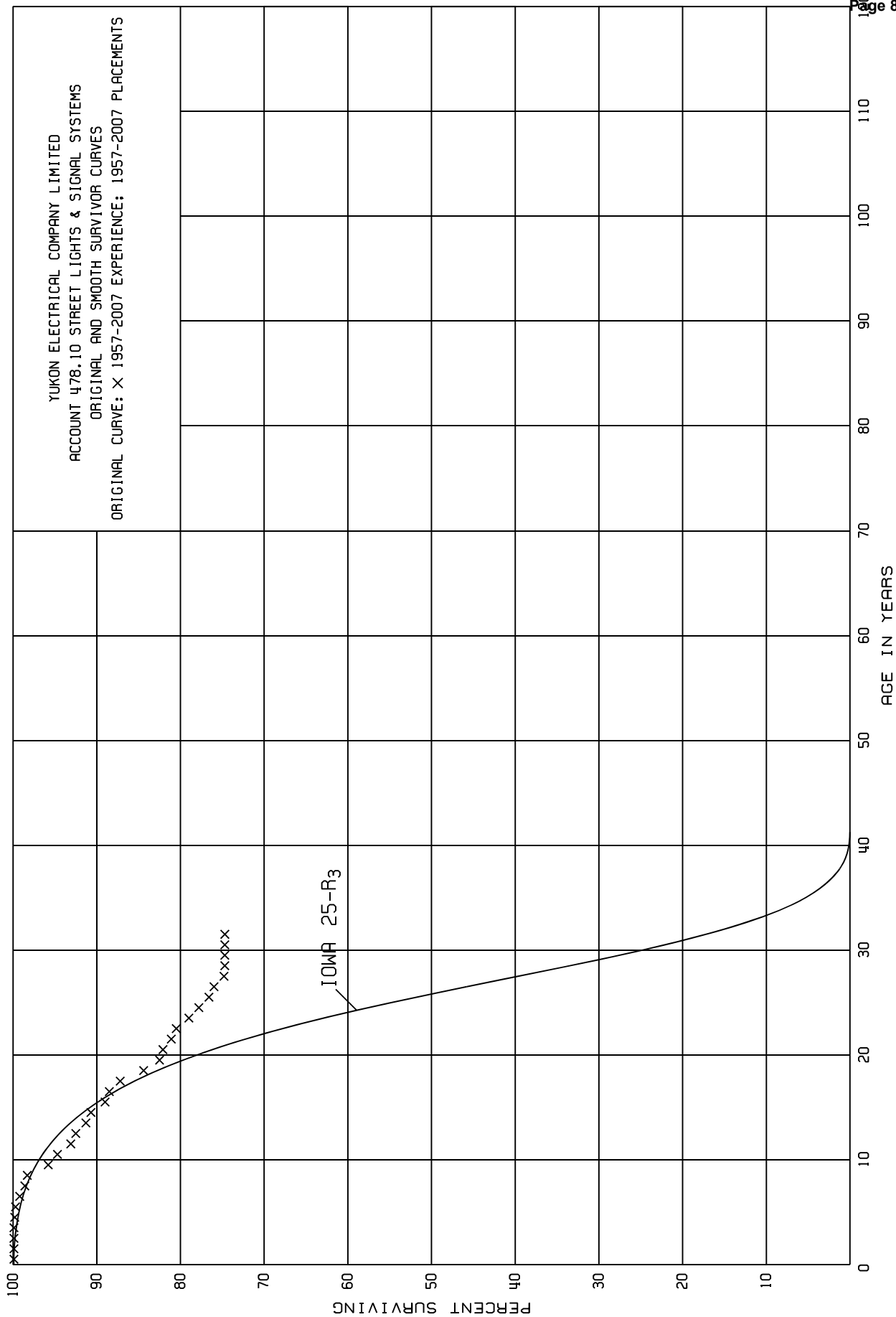
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,493,011		0.0000	1.0000	100.00
0.5	3,493,011	211	0.0001	0.9999	100.00
1.5	3,470,462	5,152	0.0015	0.9985	99.99
2.5	2,973,602	7,649	0.0026	0.9974	99.84
3.5	2,965,954	786	0.0003	0.9997	99.58
4.5	2,871,457	2,182	0.0008	0.9992	99.55
5.5	2,869,275	723	0.0003	0.9997	99.47
6.5	2,615,478		0.0000	1.0000	99.44
7.5	2,536,384		0.0000	1.0000	99.44
8.5	2,489,766	4,215	0.0017	0.9983	99.44
9.5	2,254,243	6,207	0.0028	0.9972	99.27
10.5	2,246,142		0.0000	1.0000	98.99
11.5	2,050,049	1,638	0.0008	0.9992	98.99
12.5	2,048,412		0.0000	1.0000	98.91
13.5	2,006,732	6,267	0.0031	0.9969	98.91
14.5	1,833,531	90	0.0000	1.0000	98.60
15.5	1,734,862	1,182	0.0007	0.9993	98.60
16.5	1,473,760		0.0000	1.0000	98.53
17.5	1,341,560	176	0.0001	0.9999	98.53
18.5	1,304,801		0.0000	1.0000	98.52
19.5	1,243,894		0.0000	1.0000	98.52
20.5	908,097		0.0000	1.0000	98.52
21.5	789,781		0.0000	1.0000	98.52
22.5	746,259		0.0000	1.0000	98.52
23.5	746,259		0.0000	1.0000	98.52
24.5	746,259		0.0000	1.0000	98.52
25.5	746,259		0.0000	1.0000	98.52
26.5	619,929		0.0000	1.0000	98.52
27.5	539,094		0.0000	1.0000	98.52
28.5	524,140		0.0000	1.0000	98.52
29.5	524,140		0.0000	1.0000	98.52
30.5	453,256		0.0000	1.0000	98.52
31.5	120,164		0.0000	1.0000	98.52
32.5	120,164		0.0000	1.0000	98.52
33.5	119,718		0.0000	1.0000	98.52
34.5	63,168		0.0000	1.0000	98.52
35.5	61,079		0.0000	1.0000	98.52
36.5	21,120		0.0000	1.0000	98.52
37.5	21,120		0.0000	1.0000	98.52
38.5	20,238		0.0000	1.0000	98.52

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 477.10 SUBSTATION EQUIPMENT - DISTRIBUTION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1960-2006			EXPERIENCE BAND 1960-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,632		0.0000	1.0000	98.52
40.5	3,632		0.0000	1.0000	98.52
41.5	3,632		0.0000	1.0000	98.52
42.5	3,632		0.0000	1.0000	98.52
43.5	3,632		0.0000	1.0000	98.52
44.5	3,632		0.0000	1.0000	98.52
45.5	3,632		0.0000	1.0000	98.52
46.5	3,632		0.0000	1.0000	98.52
47.5					98.52



YUKON ELECTRICAL COMPANY LIMITED

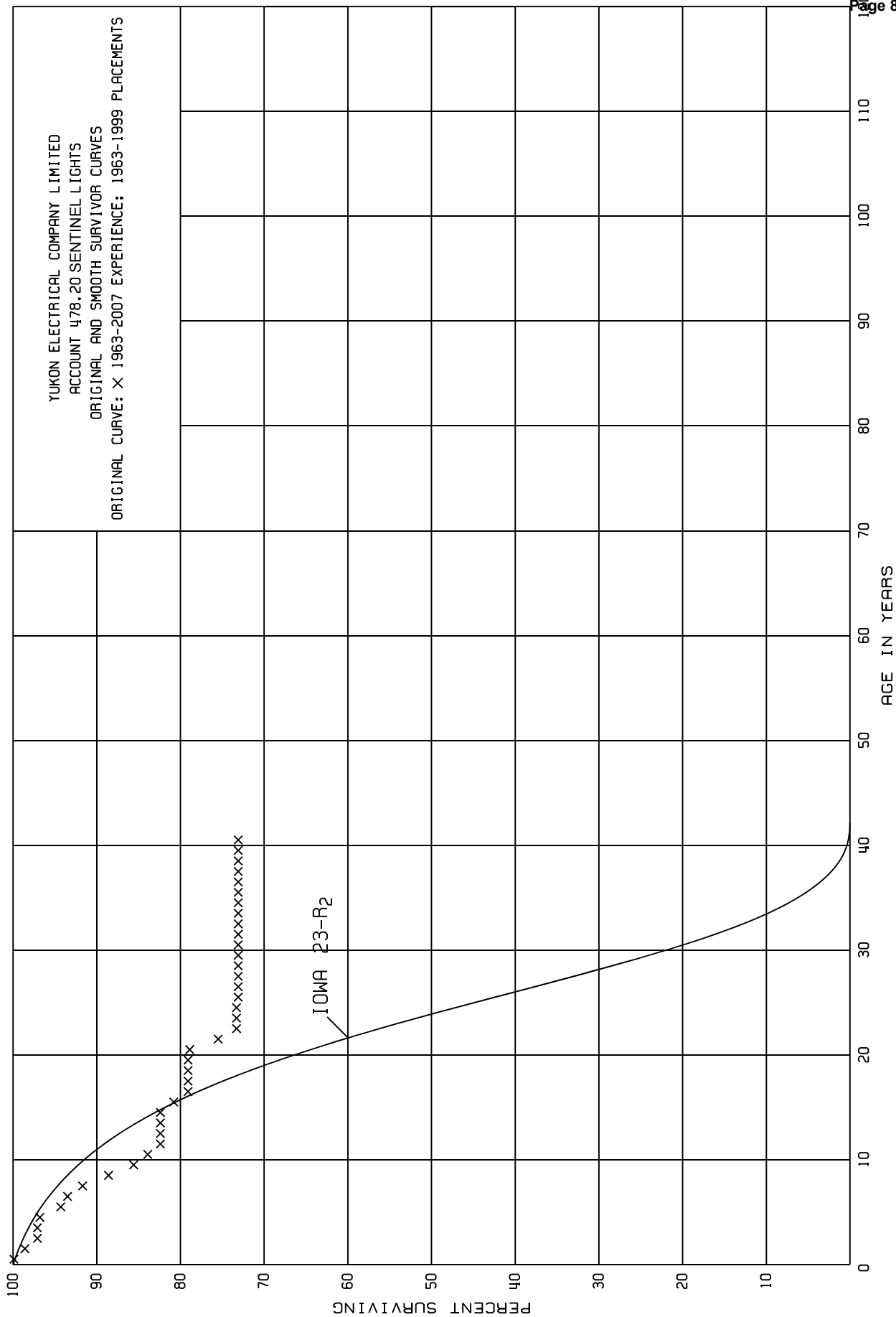
ACCOUNT 478.10 STREET LIGHTS & SIGNAL SYSTEMS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1957-2007

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,370,103	1,232	0.0001	0.9999	100.00
0.5	7,815,288	1,270	0.0002	0.9998	99.99
1.5	7,011,862	778	0.0001	0.9999	99.97
2.5	6,902,027	2,754	0.0004	0.9996	99.96
3.5	6,394,547	8,118	0.0013	0.9987	99.92
4.5	5,798,235	6,625	0.0011	0.9989	99.79
5.5	5,596,074	26,358	0.0047	0.9953	99.68
6.5	5,213,159	29,966	0.0057	0.9943	99.21
7.5	4,972,993	15,610	0.0031	0.9969	98.64
8.5	4,706,042	121,079	0.0257	0.9743	98.33
9.5	4,367,202	48,608	0.0111	0.9889	95.80
10.5	3,904,716	67,908	0.0174	0.9826	94.74
11.5	3,729,584	21,903	0.0059	0.9941	93.09
12.5	3,397,153	46,166	0.0136	0.9864	92.54
13.5	3,103,698	20,962	0.0068	0.9932	91.28
14.5	2,728,934	49,070	0.0180	0.9820	90.66
15.5	2,590,067	16,853	0.0065	0.9935	89.03
16.5	2,350,877	33,875	0.0144	0.9856	88.45
17.5	2,039,259	64,747	0.0318	0.9682	87.18
18.5	1,401,749	32,421	0.0231	0.9769	84.41
19.5	1,159,366	4,945	0.0043	0.9957	82.46
20.5	1,017,269	12,120	0.0119	0.9881	82.11
21.5	656,533	4,769	0.0073	0.9927	81.13
22.5	620,227	11,558	0.0186	0.9814	80.54
23.5	510,188	8,300	0.0163	0.9837	79.04
24.5	387,900	5,722	0.0148	0.9852	77.75
25.5	312,628	2,321	0.0074	0.9926	76.60
26.5	281,818	4,493	0.0159	0.9841	76.03
27.5	92,674	127	0.0014	0.9986	74.82
28.5	69,219		0.0000	1.0000	74.72
29.5	46,958		0.0000	1.0000	74.72
30.5	4,157		0.0000	1.0000	74.72
31.5	4,157	131-	0.0315-	1.0315	74.72
32.5	4,058		0.0000		
33.5					



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.20 SENTINEL LIGHTS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1963-1999

EXPERIENCE BAND 1963-2007

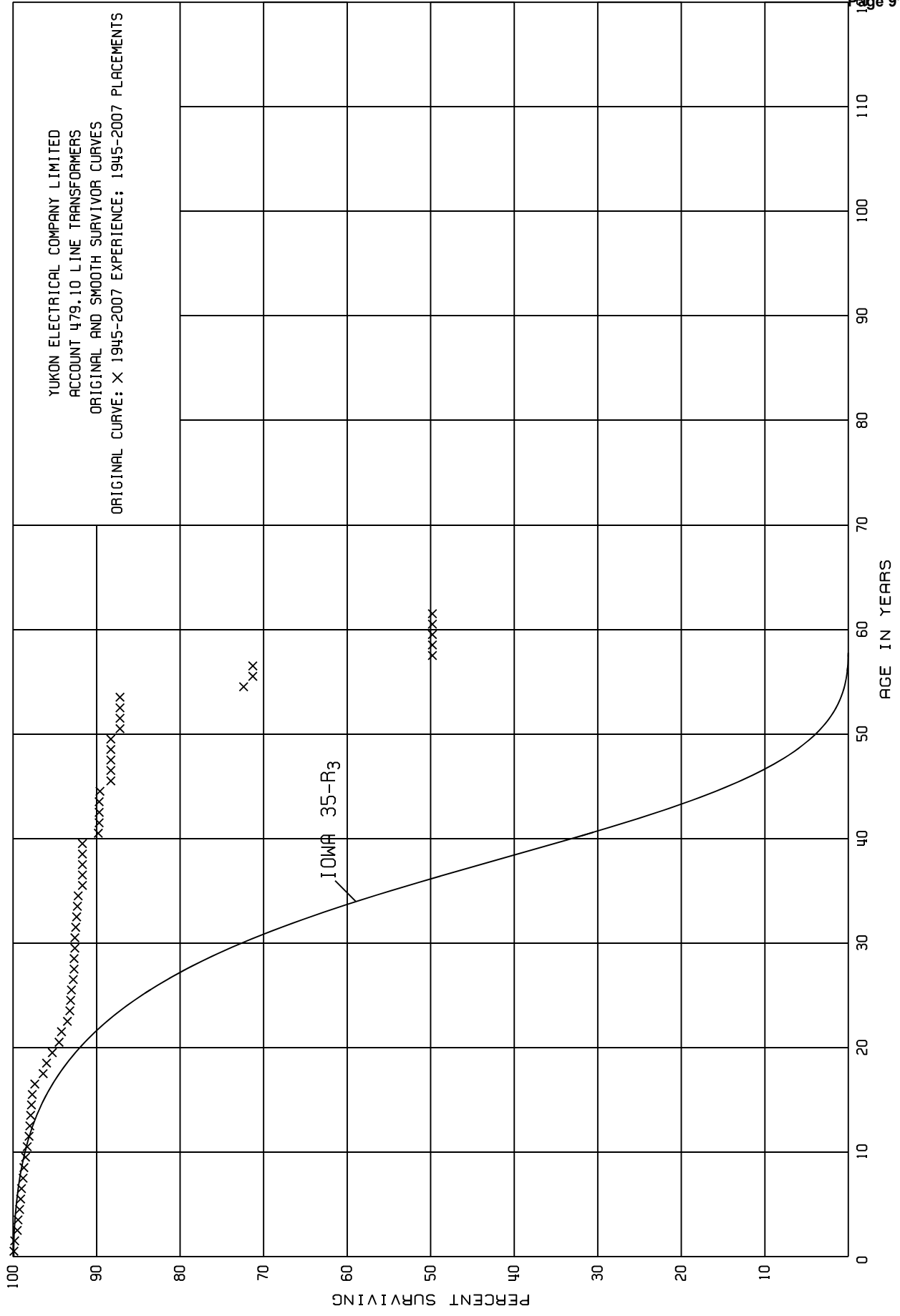
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	379,660		0.0000	1.0000	100.00
0.5	379,660	5,205	0.0137	0.9863	100.00
1.5	374,455	5,705	0.0152	0.9848	98.63
2.5	368,750	90	0.0002	0.9998	97.13
3.5	368,660	1,359	0.0037	0.9963	97.11
4.5	367,301	9,199	0.0250	0.9750	96.75
5.5	358,102	3,074	0.0086	0.9914	94.33
6.5	355,028	7,104	0.0200	0.9800	93.52
7.5	347,924	11,746	0.0338	0.9662	91.65
8.5	335,729	11,318	0.0337	0.9663	88.55
9.5	324,411	6,348	0.0196	0.9804	85.57
10.5	302,191	5,466	0.0181	0.9819	83.89
11.5	296,725		0.0000	1.0000	82.37
12.5	296,725		0.0000	1.0000	82.37
13.5	296,725		0.0000	1.0000	82.37
14.5	296,573	5,706	0.0192	0.9808	82.37
15.5	280,282	5,978	0.0213	0.9787	80.79
16.5	271,741	55	0.0002	0.9998	79.07
17.5	268,357		0.0000	1.0000	79.05
18.5	260,966		0.0000	1.0000	79.05
19.5	247,470	374	0.0015	0.9985	79.05
20.5	232,884	10,247	0.0440	0.9560	78.93
21.5	190,725	5,540	0.0290	0.9710	75.46
22.5	174,655		0.0000	1.0000	73.27
23.5	155,587		0.0000	1.0000	73.27
24.5	144,752	407	0.0028	0.9972	73.27
25.5	135,210		0.0000	1.0000	73.06
26.5	118,173		0.0000	1.0000	73.06
27.5	99,203		0.0000	1.0000	73.06
28.5	69,882		0.0000	1.0000	73.06
29.5	53,809		0.0000	1.0000	73.06
30.5	43,269		0.0000	1.0000	73.06
31.5	28,416		0.0000	1.0000	73.06
32.5	23,662		0.0000	1.0000	73.06
33.5	3,987		0.0000	1.0000	73.06
34.5	2,516		0.0000	1.0000	73.06
35.5	2,516		0.0000	1.0000	73.06
36.5	2,516		0.0000	1.0000	73.06
37.5	2,516		0.0000	1.0000	73.06
38.5	2,516		0.0000	1.0000	73.06

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.20 SENTINEL LIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-1999			EXPERIENCE BAND 1963-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,516		0.0000	1.0000	73.06
40.5					73.06



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 479.10 LINE TRANSFORMERS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1945-2007

EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	18,214,052	16,453	0.0009	0.9991	100.00
0.5	16,681,910	11,530	0.0007	0.9993	99.91
1.5	15,083,825	55,361	0.0037	0.9963	99.84
2.5	13,636,479	15,739	0.0012	0.9988	99.47
3.5	12,817,743	19,236	0.0015	0.9985	99.35
4.5	12,058,252	13,691	0.0011	0.9989	99.20
5.5	11,504,711	10,226	0.0009	0.9991	99.09
6.5	10,919,882	23,219	0.0021	0.9979	99.00
7.5	10,304,748	11,176	0.0011	0.9989	98.79
8.5	9,915,777	23,092	0.0023	0.9977	98.68
9.5	9,397,700	14,118	0.0015	0.9985	98.45
10.5	8,890,475	19,146	0.0022	0.9978	98.30
11.5	8,215,081	8,355	0.0010	0.9990	98.08
12.5	7,735,596	9,475	0.0012	0.9988	97.98
13.5	7,221,993	2,830	0.0004	0.9996	97.86
14.5	6,277,879	9,311	0.0015	0.9985	97.82
15.5	5,497,607	14,159	0.0026	0.9974	97.67
16.5	4,716,159	48,338	0.0102	0.9898	97.42
17.5	3,941,932	17,203	0.0044	0.9956	96.43
18.5	3,439,458	25,561	0.0074	0.9926	96.01
19.5	3,107,764	25,680	0.0083	0.9917	95.30
20.5	2,576,114	8,727	0.0034	0.9966	94.51
21.5	2,362,159	17,405	0.0074	0.9926	94.19
22.5	2,142,004	7,486	0.0035	0.9965	93.49
23.5	2,076,906	1,707	0.0008	0.9992	93.16
24.5	2,009,275	2,985	0.0015	0.9985	93.09
25.5	1,881,118	3,409	0.0018	0.9982	92.95
26.5	1,692,264	1,387	0.0008	0.9992	92.78
27.5	1,491,974	554	0.0004	0.9996	92.71
28.5	1,299,844	714	0.0005	0.9995	92.67
29.5	1,156,860	411	0.0004	0.9996	92.62
30.5	1,062,858	1,113	0.0010	0.9990	92.58
31.5	990,570	1,114	0.0011	0.9989	92.49
32.5	880,806	1,003	0.0011	0.9989	92.39
33.5	809,388	1,127	0.0014	0.9986	92.29
34.5	740,967	3,565	0.0048	0.9952	92.16
35.5	658,344	298	0.0005	0.9995	91.72
36.5	590,033	117	0.0002	0.9998	91.67
37.5	538,140		0.0000	1.0000	91.65
38.5	499,555		0.0000	1.0000	91.65

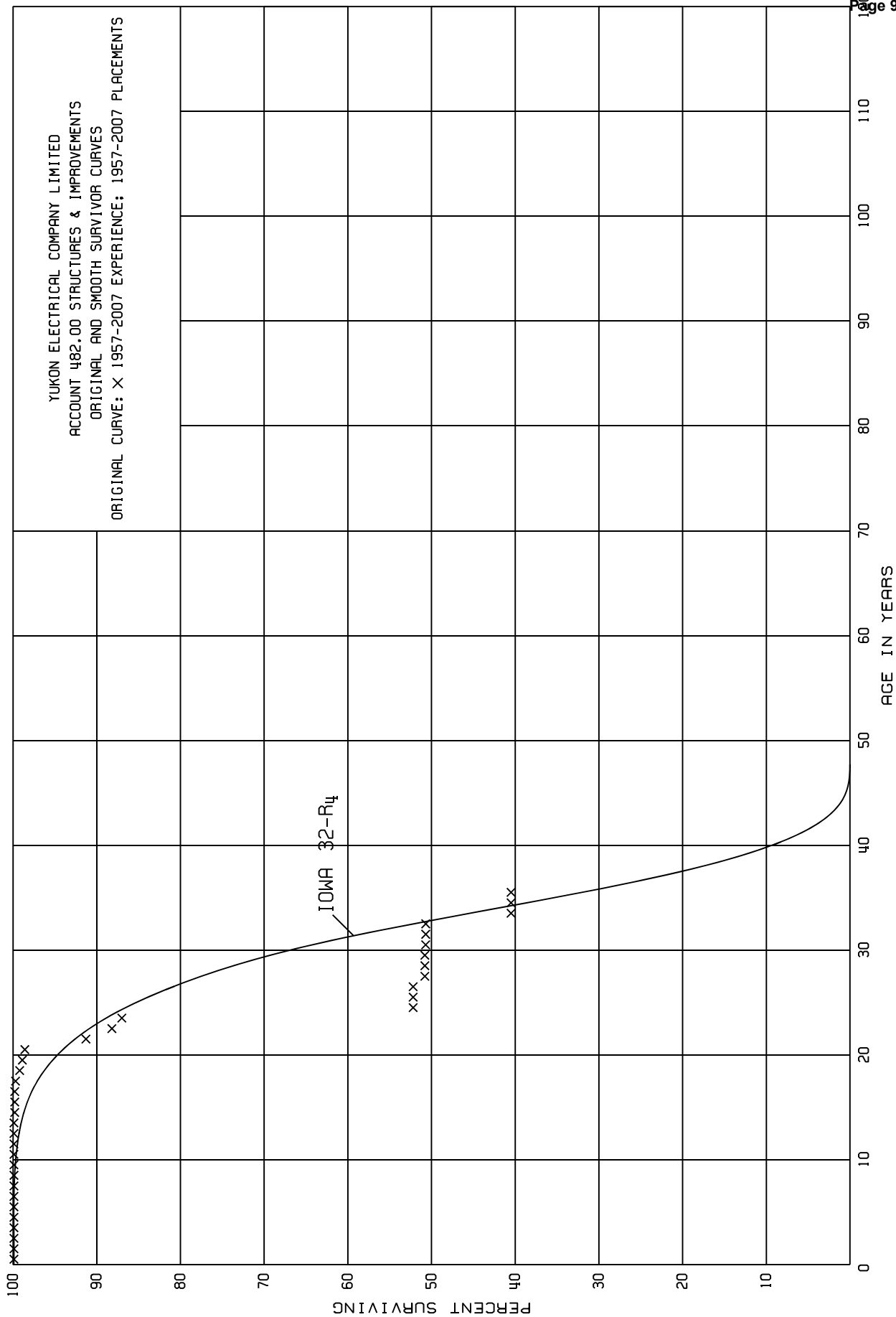
YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 479.10 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1945-2007 EXPERIENCE BAND 1945-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	319,426	6,591	0.0206	0.9794	91.65
40.5	248,619	62	0.0002	0.9998	89.76
41.5	211,967		0.0000	1.0000	89.74
42.5	198,240		0.0000	1.0000	89.74
43.5	191,245	240	0.0013	0.9987	89.74
44.5	166,475	2,381	0.0143	0.9857	89.62
45.5	154,659		0.0000	1.0000	88.34
46.5	143,837		0.0000	1.0000	88.34
47.5	106,779		0.0000	1.0000	88.34
48.5	88,053		0.0000	1.0000	88.34
49.5	85,798	1,150	0.0134	0.9866	88.34
50.5	84,648		0.0000	1.0000	87.16
51.5	80,919		0.0000	1.0000	87.16
52.5	58,751		0.0000	1.0000	87.16
53.5	53,298	9,005	0.1690	0.8310	87.16
54.5	41,535	679	0.0163	0.9837	72.43
55.5	19,956		0.0000	1.0000	71.25
56.5	4,458	1,343	0.3013	0.6987	71.25
57.5	3,086		0.0000	1.0000	49.78
58.5	3,086		0.0000	1.0000	49.78
59.5	1,469		0.0000	1.0000	49.78
60.5	226		0.0000	1.0000	49.78
61.5					49.78



YUKON ELECTRICAL COMPANY LIMITED

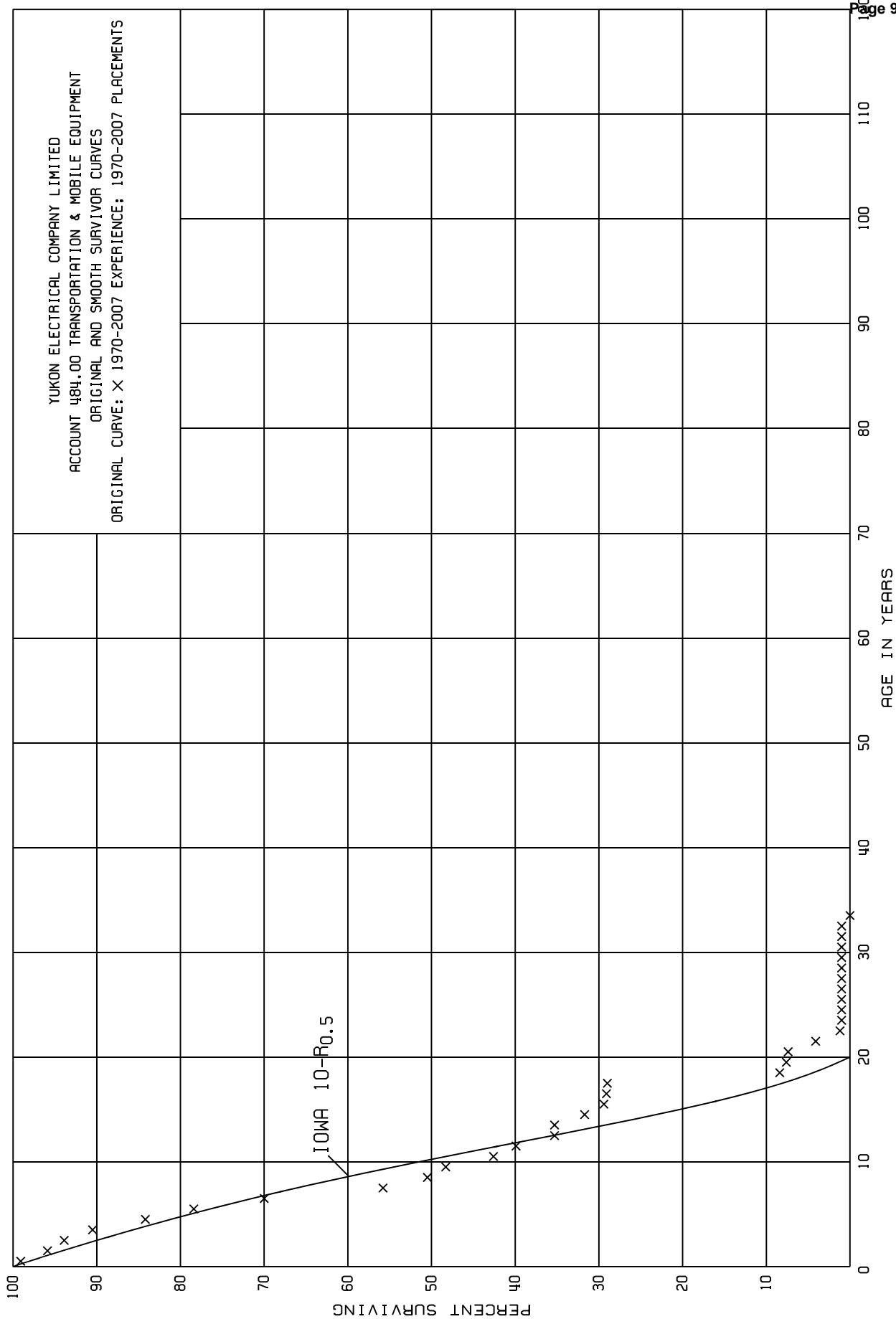
ACCOUNT 482.00 STRUCTURES & IMPROVEMENTS

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1957-2007

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,723,592		0.0000	1.0000	100.00
0.5	3,691,416		0.0000	1.0000	100.00
1.5	3,341,490		0.0000	1.0000	100.00
2.5	3,321,607		0.0000	1.0000	100.00
3.5	3,272,938		0.0000	1.0000	100.00
4.5	3,213,330		0.0000	1.0000	100.00
5.5	3,187,888		0.0000	1.0000	100.00
6.5	3,140,385		0.0000	1.0000	100.00
7.5	3,089,453		0.0000	1.0000	100.00
8.5	3,080,433	3,305	0.0011	0.9989	100.00
9.5	2,993,553	258	0.0001	0.9999	99.89
10.5	2,929,495		0.0000	1.0000	99.88
11.5	2,903,718		0.0000	1.0000	99.88
12.5	2,870,116		0.0000	1.0000	99.88
13.5	2,811,267	1,089	0.0004	0.9996	99.88
14.5	2,679,472		0.0000	1.0000	99.84
15.5	2,378,487		0.0000	1.0000	99.84
16.5	954,054	1,586	0.0017	0.9983	99.84
17.5	907,215	4,237	0.0047	0.9953	99.67
18.5	899,478	2,788	0.0031	0.9969	99.20
19.5	808,832	2,019	0.0025	0.9975	98.89
20.5	427,618	31,722	0.0742	0.9258	98.64
21.5	393,118	13,273	0.0338	0.9662	91.32
22.5	379,845	5,188	0.0137	0.9863	88.23
23.5	350,372	140,247	0.4003	0.5997	87.02
24.5	210,125		0.0000	1.0000	52.19
25.5	188,419		0.0000	1.0000	52.19
26.5	175,957	4,613	0.0262	0.9738	52.19
27.5	171,344		0.0000	1.0000	50.82
28.5	156,537		0.0000	1.0000	50.82
29.5	156,537	230	0.0015	0.9985	50.82
30.5	155,292		0.0000	1.0000	50.74
31.5	153,792		0.0000	1.0000	50.74
32.5	153,792	30,940	0.2012	0.7988	50.74
33.5	76,117		0.0000	1.0000	40.53
34.5	59,482		0.0000	1.0000	40.53
35.5					40.53



YUKON ELECTRICAL COMPANY LIMITED

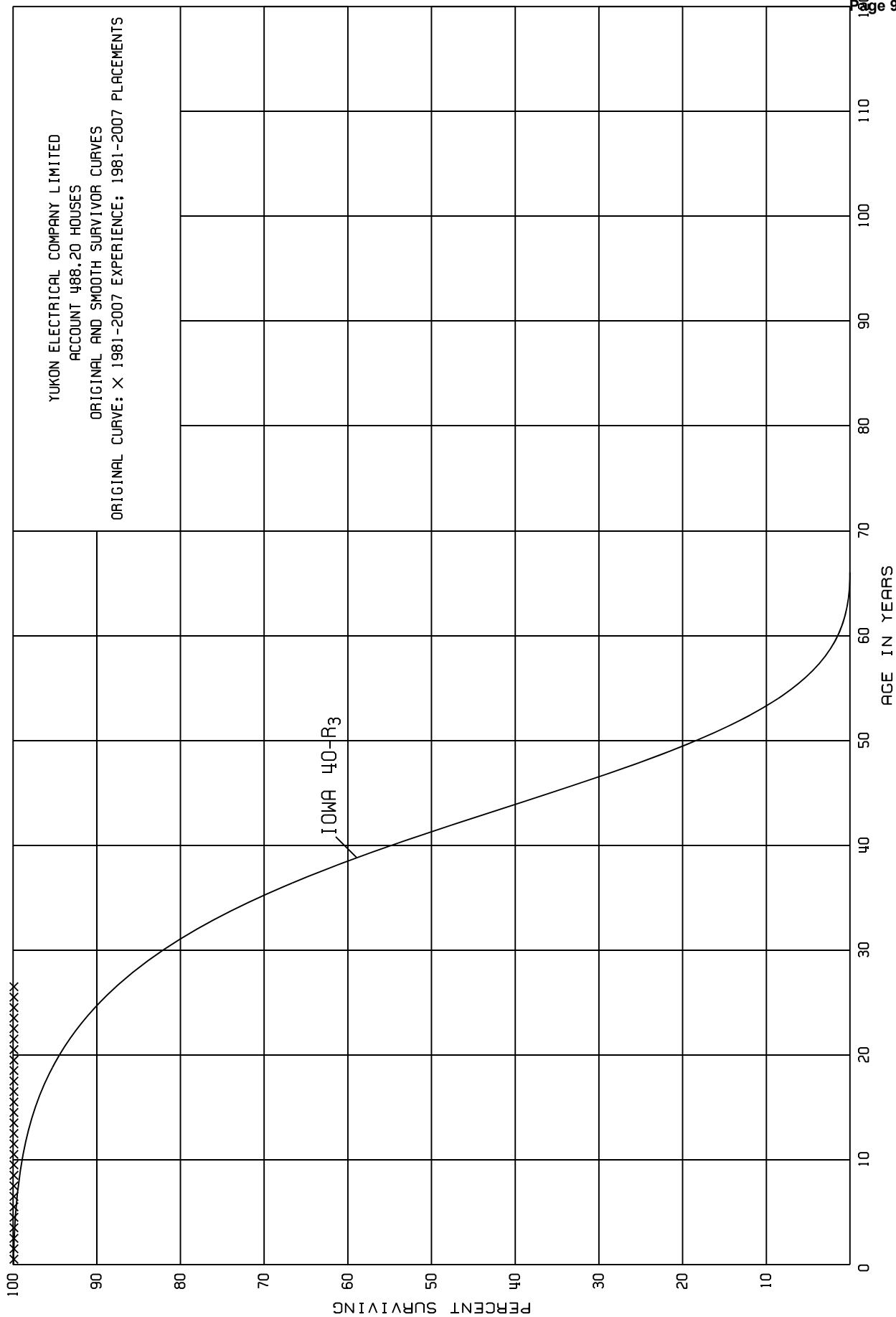
ACCOUNT 484.00 TRANSPORTATION & MOBILE EQUIPMENT

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1970-2007

EXPERIENCE BAND 1970-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,743,662	42,131	0.0089	0.9911	100.00
0.5	4,189,717	135,182	0.0323	0.9677	99.11
1.5	3,903,448	80,084	0.0205	0.9795	95.91
2.5	3,656,606	134,616	0.0368	0.9632	93.94
3.5	3,492,158	240,857	0.0690	0.9310	90.48
4.5	3,242,377	224,862	0.0694	0.9306	84.24
5.5	2,820,405	303,840	0.1077	0.8923	78.39
6.5	2,177,363	441,181	0.2026	0.7974	69.95
7.5	1,727,502	162,321	0.0940	0.9060	55.78
8.5	1,437,912	62,627	0.0436	0.9564	50.54
9.5	1,352,400	159,474	0.1179	0.8821	48.34
10.5	1,095,309	71,186	0.0650	0.9350	42.64
11.5	850,601	97,271	0.1144	0.8856	39.87
12.5	686,111		0.0000	1.0000	35.31
13.5	506,294	52,502	0.1037	0.8963	35.31
14.5	421,003	29,639	0.0704	0.9296	31.65
15.5	354,086	4,408	0.0124	0.9876	29.42
16.5	337,457	1,308	0.0039	0.9961	29.06
17.5	336,091	238,328	0.7091	0.2909	28.95
18.5	63,373	6,533	0.1031	0.8969	8.42
19.5	51,972	1,304	0.0251	0.9749	7.55
20.5	50,668	22,475	0.4436	0.5564	7.36
21.5	24,807	17,728	0.7146	0.2854	4.10
22.5	7,079	1,000	0.1413	0.8587	1.17
23.5	5,605		0.0000	1.0000	1.00
24.5	5,605		0.0000	1.0000	1.00
25.5	5,605		0.0000	1.0000	1.00
26.5	5,605		0.0000	1.0000	1.00
27.5	5,605		0.0000	1.0000	1.00
28.5	5,605		0.0000	1.0000	1.00
29.5	5,605		0.0000	1.0000	1.00
30.5	5,605		0.0000	1.0000	1.00
31.5	5,605		0.0000	1.0000	1.00
32.5	5,605	5,605	1.0000	0.0000	1.00
33.5					0.00



YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 488.20 HOUSES

SURVIVING AT DECEMBER 31, 2007

PLACEMENT BAND 1981-2007

EXPERIENCE BAND 1981-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	387,954		0.0000	1.0000	100.00
0.5	336,752		0.0000	1.0000	100.00
1.5	287,621		0.0000	1.0000	100.00
2.5	266,490		0.0000	1.0000	100.00
3.5	266,490		0.0000	1.0000	100.00
4.5	262,521		0.0000	1.0000	100.00
5.5	262,521		0.0000	1.0000	100.00
6.5	262,521		0.0000	1.0000	100.00
7.5	253,827		0.0000	1.0000	100.00
8.5	207,013		0.0000	1.0000	100.00
9.5	207,013		0.0000	1.0000	100.00
10.5	197,692		0.0000	1.0000	100.00
11.5	184,952		0.0000	1.0000	100.00
12.5	183,082		0.0000	1.0000	100.00
13.5	51,727		0.0000	1.0000	100.00
14.5	51,727		0.0000	1.0000	100.00
15.5	51,727		0.0000	1.0000	100.00
16.5	51,727		0.0000	1.0000	100.00
17.5	51,727		0.0000	1.0000	100.00
18.5	49,577		0.0000	1.0000	100.00
19.5	21,698		0.0000	1.0000	100.00
20.5	21,698		0.0000	1.0000	100.00
21.5	8,776		0.0000	1.0000	100.00
22.5	8,776		0.0000	1.0000	100.00
23.5	8,776		0.0000	1.0000	100.00
24.5	5,448		0.0000	1.0000	100.00
25.5	5,448		0.0000	1.0000	100.00
26.5					100.00

NET SALVAGE STATISTICS

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 442.00 STRUCTURES & IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2004	2,028		0		0		0
2005							
2006							
2007							
TOTAL	2,028		0		0		0
THREE-YEAR MOVING AVERAGES							
04-06	676		0		0		0
05-07							
FIVE-YEAR AVERAGE							
03-07	406		0		0		0

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 444.00 FUEL HOLDERS, PRODUCTS & ACC

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT PCT		GROSS SALVAGE AMOUNT PCT		NET SALVAGE AMOUNT PCT	
1983	2		0	2	100	2	100
1984							
1985							
1986							
1987	3,626		0	2,000	55	2,000	55
1988	1,203		0	2,400	200	2,400	200
1989							
1990							
1991							
1992	302		0	142	47	142	47
1993							
1994							
1995							
1996							
1997	120		0	213	178	213	178
1998	10,000	18,319	183	3,000	30	15,319	153-
1999							
2000							
2001							
2002							
2003	10,000	13,875	139		0	13,875	139-
2004	9,322		0	2,500	27	2,500	27
2005							
2006							
2007	3,200		0		0		0
TOTAL	37,775	32,194	85	10,257	27	21,937	58-

THREE-YEAR MOVING AVERAGES

83-85	1		0	1	100	1	100
84-86							
85-87	1,209		0	667	55	667	55
86-88	1,610		0	1,467	91	1,467	91
87-89	1,610		0	1,467	91	1,467	91
88-90	401		0	800	200	800	200
89-91							
90-92	101		0	47	47	47	47

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 444.00 FUEL HOLDERS, PRODUCTS & ACC

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	101		0	47	47	47	47
92-94	101		0	47	47	47	47
93-95							
94-96							
95-97	40		0	71	178	71	178
96-98	3,373	6,106	181	1,071	32	5,035	149-
97-99	3,373	6,106	181	1,071	32	5,035	149-
98-00	3,333	6,106	183	1,000	30	5,106	153-
99-01							
00-02							
01-03	3,333	4,625	139		0	4,625	139-
02-04	6,441	4,625	72	833	13	3,792	59-
03-05	6,441	4,625	72	833	13	3,792	59-
04-06	3,107		0	833	27	833	27
05-07	1,067		0		0		0
FIVE-YEAR AVERAGE							
03-07	4,504	2,775	62	500	11	2,275	51-

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 445.00 GEN. EQUIP & PRIME MOVERS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1983	10,551		0	129	1	129	1
1984	25,040		0		0		0
1985	116,422		0	73,537	63	73,537	63
1986	38,264		0		0		0
1987	8,298		0	2,000	24	2,000	24
1988	16,482		0	1,500	9	1,500	9
1989	111,613		0		0		0
1990	22,059		0		0		0
1991	171,401		0	18,663	11	18,663	11
1992	2,560		0	1,010	39	1,010	39
1993	2,200		0	2,200	100	2,200	100
1994							
1995	5,500		0		0		0
1996							
1997	93,041	28,503	31	10,449	11	18,054-	19-
1998	52,500	52,855	101	1,000	2	51,855-	99-
1999	325,787	15,390	5		0	15,390-	5-
2000							
2001							
2002							
2003							
2004	47,038		0		0		0
2005							
2006							
2007							
TOTAL	1,048,756	96,748	9	110,488	11	13,740	1

THREE-YEAR MOVING AVERAGES

83-85	50,671	0	24,555	48	24,555	48
84-86	59,909	0	24,512	41	24,512	41
85-87	54,328	0	25,179	46	25,179	46
86-88	21,015	0	1,167	6	1,167	6
87-89	45,464	0	1,167	3	1,167	3
88-90	50,051	0	500	1	500	1
89-91	101,691	0	6,221	6	6,221	6
90-92	65,340	0	6,558	10	6,558	10

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 445.00 GEN. EQUIP & PRIME MOVERS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	58,720		0	7,291	12	7,291	12
92-94	1,587		0	1,070	67	1,070	67
93-95	2,567		0	733	29	733	29
94-96	1,833		0		0		0
95-97	32,847	9,501	29	3,483	11	6,018-	18-
96-98	48,514	27,119	56	3,816	8	23,303-	48-
97-99	157,109	32,249	21	3,816	2	28,433-	18-
98-00	126,096	22,748	18	333	0	22,415-	18-
99-01	108,596	5,130	5		0	5,130-	5-
00-02							
01-03							
02-04	15,679		0		0		0
03-05	15,679		0		0		0
04-06	15,679		0		0		0
05-07							
FIVE-YEAR AVERAGE							
03-07	9,408		0		0		0

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 446.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1985	72		0		0		0
1986							
1987							
1988							
1989	12,994		0		0		0
1990	2,846		0		0		0
1991							
1992							
1993							
1994							
1995							
1996							
1997							
1998							
1999							
2000	15,000		0		0		0
2001							
2002							
2003							
2004							
2005							
2006							
2007							
TOTAL	30,912		0		0		0

THREE-YEAR MOVING AVERAGES

85-87	24		0		0		0
86-88							
87-89	4,331		0		0		0
88-90	5,280		0		0		0
89-91	5,280		0		0		0
90-92	949		0		0		0
91-93							
92-94							
93-95							
94-96							

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 446.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
95-97							
96-98							
97-99							
98-00	5,000		0		0		0
99-01	5,000		0		0		0
00-02	5,000		0		0		0
01-03							
02-04							
03-05							
04-06							
05-07							

FIVE-YEAR AVERAGE

03-07

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 447.00 MISC. POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1985	64		0	0		0	
1986							
1987							
1988							
1989							
1990							
1991							
1992	1,327	227	17	0		227-	17-
1993							
1994							
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
TOTAL	1,391	227	16	0		227-	16-

THREE-YEAR MOVING AVERAGES

85-87	21		0	0		0	
86-88							
87-89							
88-90							
89-91							
90-92	442	76	17	0		76-	17-
91-93	442	76	17	0		76-	17-
92-94	442	76	17	0		76-	17-
93-95							
94-96							

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 447.00 MISC. POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT

THREE-YEAR MOVING AVERAGES

95-97
96-98
97-99
98-00
99-01
00-02
01-03
02-04
03-05
04-06
05-07

FIVE-YEAR AVERAGE

03-07

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1983	20,711	5,124	25	20,115	97	14,991	72
1984	7,236	420	6	5,128	71	4,708	65
1985	1,877	1,316	70	1,588	85	272	14
1986	22,910	3,807	17	16,234	71	12,427	54
1987	23,501	7,352	31	16,371	70	9,019	38
1988	40,923	9,880	24	12,307	30	2,427	6
1989	45,150	15,886	35	12,360	27	3,526-	8-
1990	18,256	15,088	83	6,810	37	8,278-	45-
1991	9,785	46,744	478	1,917	20	44,827-	458-
1992	25,423	29,690	117	11,447	45	18,243-	72-
1993	8,882	5,186	58	7,881	89	2,695	30
1994	6,278	2,381	38	3,098	49	717	11
1995	26,696	33,075	124	6,477	24	26,598-	100-
1996	47,596	21,610	45	2,263	5	19,347-	41-
1997	77,715	74,426	96	9,635	12	64,791-	83-
1998	41,057	52,607	128	1,890	5	50,717-	124-
1999	60,318	43,513	72	2,778	5	40,735-	68-
2000	85,489	113,379	133	870	1	112,509-	132-
2001	52,174	143,160	274	2,294	4	140,866-	270-
2002	38,328	26,830	70	593	2	26,237-	68-
2003	105,814	86,536	82	846	1	85,690-	81-
2004	15,779	11,410	72	362	2	11,048-	70-
2005	72,803	32,567	45	1,150	2	31,417-	43-
2006	65,718	113,990	173	2,037	3	111,953-	170-
2007	11,322	27,121	240	866	8	26,255-	232-
TOTAL	931,741	923,098	99	147,317	16	775,781-	83-

THREE-YEAR MOVING AVERAGES

83-85	9,941	2,287	23	8,944	90	6,657	67
84-86	10,674	1,848	17	7,650	72	5,802	54
85-87	16,096	4,158	26	11,398	71	7,240	45
86-88	29,111	7,013	24	14,971	51	7,958	27
87-89	36,525	11,039	30	13,679	37	2,640	7
88-90	34,776	13,618	39	10,492	30	3,126-	9-
89-91	24,397	25,906	106	7,029	29	18,877-	77-
90-92	17,821	30,507	171	6,725	38	23,782-	133-

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	14,697	27,207	185	7,082	48	20,125-	137-
92-94	13,528	12,419	92	7,475	55	4,944-	37-
93-95	13,952	13,547	97	5,819	42	7,728-	55-
94-96	26,857	19,022	71	3,946	15	15,076-	56-
95-97	50,669	43,037	85	6,125	12	36,912-	73-
96-98	55,456	49,548	89	4,596	8	44,952-	81-
97-99	59,697	56,849	95	4,768	8	52,081-	87-
98-00	62,288	69,833	112	1,846	3	67,987-	109-
99-01	65,994	100,017	152	1,981	3	98,036-	149-
00-02	58,664	94,456	161	1,252	2	93,204-	159-
01-03	65,439	85,509	131	1,244	2	84,265-	129-
02-04	53,307	41,592	78	600	1	40,992-	77-
03-05	64,799	43,504	67	786	1	42,718-	66-
04-06	51,433	52,656	102	1,183	2	51,473-	100-
05-07	49,948	57,893	116	1,351	3	56,542-	113-
FIVE-YEAR AVERAGE							
03-07	54,287	54,325	100	1,052	2	53,273-	98-

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 474.00 OVERHEAD CONDUCTORS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1983	4,695	5,047	107	4,443	95	604-	13-
1984	3,160	181	6	2,361	75	2,180	69
1985	1,736	1,242	72	1,572	91	330	19
1986	5,964	4,180	70	2,685	45	1,495-	25-
1987	6,182	17,556	284	4,098	66	13,458-	218-
1988	8,783	5,511	63	3,200	36	2,311-	26-
1989	18,523	12,800	69	2,387	13	10,413-	56-
1990	15,824	8,228	52	2,754	17	5,474-	35-
1991	3,375	21,364	633	424	13	20,940-	620-
1992	6,046	11,136	184	1,181	20	9,955-	165-
1993	5,173	5,309	103	708	14	4,601-	89-
1994	1,515	1,316	87	910	60	406-	27-
1995	5,600	4,644	83	152	3	4,492-	80-
1996	8,691	4,811	55	654	8	4,157-	48-
1997	19,144	24,656	129	1,339	7	23,317-	122-
1998	8,387	16,419	196	339	4	16,080-	192-
1999	12,271	6,801	55	1,642	13	5,159-	42-
2000	14,527	12,330	85	213	1	12,117-	83-
2001	9,337	14,459	155	121	1	14,338-	154-
2002	8,186	4,938	60	857	10	4,081-	50-
2003	59,843	55,901	93	156	0	55,745-	93-
2004	4,049	2,435	60	287	7	2,148-	53-
2005	2,976	12,992	437	1,512	51	11,480-	386-
2006	974	40,889		916	94	39,973-	
2007	132	10,846		778	589	10,068-	
TOTAL	235,093	305,991	130	35,689	15	270,302-	115-

THREE-YEAR MOVING AVERAGES

83-85	3,197	2,157	67	2,792	87	635	20
84-86	3,620	1,868	52	2,206	61	338	9
85-87	4,627	7,659	166	2,785	60	4,874-	105-
86-88	6,976	9,082	130	3,328	48	5,754-	82-
87-89	11,163	11,956	107	3,228	29	8,728-	78-
88-90	14,377	8,846	62	2,780	19	6,066-	42-
89-91	12,574	14,131	112	1,855	15	12,276-	98-
90-92	8,415	13,576	161	1,453	17	12,123-	144-

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 474.00 OVERHEAD CONDUCTORS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	4,865	12,603	259	771	16	11,832	243-
92-94	4,245	5,920	139	933	22	4,987	117-
93-95	4,096	3,756	92	590	14	3,166	77-
94-96	5,269	3,590	68	572	11	3,018	57-
95-97	11,145	11,370	102	715	6	10,655	96-
96-98	12,074	15,295	127	777	6	14,518	120-
97-99	13,267	15,959	120	1,107	8	14,852	112-
98-00	11,728	11,850	101	731	6	11,119	95-
99-01	12,045	11,197	93	659	5	10,538	87-
00-02	10,683	10,576	99	397	4	10,179	95-
01-03	25,789	25,099	97	378	1	24,721	96-
02-04	24,026	21,091	88	433	2	20,658	86-
03-05	22,289	23,776	107	652	3	23,124	104-
04-06	2,666	18,772	704	905	34	17,867	670-
05-07	1,361	21,576		1,069	79	20,507	-
FIVE-YEAR AVERAGE							
03-07	13,595	24,613	181	730	5	23,883	176-

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1983	339		0	0		0	
1984	130		0	0		0	
1985	130		0	0		0	
1986	286		0	0		0	
1987							
1988							
1989							
1990							
1991	32		0	0		0	
1992							
1993							
1994							
1995							
1996		1,062				1,062-	
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
TOTAL	917	1,062	116	0		1,062-116-	

THREE-YEAR MOVING AVERAGES

83-85	200	0	0	0
84-86	182	0	0	0
85-87	139	0	0	0
86-88	95	0	0	0
87-89				
88-90				
89-91	11	0	0	0
90-92	11	0	0	0

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	11		0		0		0
92-94							
93-95							
94-96		354				354-	
95-97		354				354-	
96-98		354				354-	
97-99							
98-00							
99-01							
00-02							
01-03							
02-04							
03-05							
04-06							
05-07							

FIVE-YEAR AVERAGE

03-07

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 475.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT PCT		GROSS SALVAGE AMOUNT PCT		NET SALVAGE AMOUNT PCT	
1985	193	20	10	121	63	101	52
1986							
1987							
1988	5		0	8	160	8	160
1989	10	2	20	6	60	4	40
1990	11		0	11	100	11	100
1991	12		0	12	100	12	100
1992	483		0	483	100	483	100
1993	63		0	56	89	56	89
1994	81		0	13	16	13	16
1995	908	1,125	124		0	1,125	124-
1996	252	114	45	470	187	356	141
1997	621	464	75	42	7	422-	68-
1998	52	33,870		5	10	33,865-	
1999	2,708	2,159	80		0	2,159-	80-
2000	1,455	1,680	115	174	12	1,506-	104-
2001	428	317	74	292	68	25-	6-
2002	328	2,918	890	307	94	2,611-	796-
2003	525	62,881		139	26	62,742-	
2004	2,120	23	1	1	0	22-	1-
2005							
2006	25		0		0		0
2007				23		23	
TOTAL	10,280	105,573		2,163	21	103,410-	

THREE-YEAR MOVING AVERAGES

85-87	64	7	11	40	63	33	52
86-88	2		0	3	150	3	150
87-89	5	1	20	5	100	4	80
88-90	9	1	11	8	89	7	78
89-91	11	1	9	10	91	9	82
90-92	169		0	169	100	169	100
91-93	186		0	184	99	184	99
92-94	209		0	184	88	184	88
93-95	351	375	107	23	7	352-	100-
94-96	414	413	100	161	39	252-	61-

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 475.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
95-97	594	568	96	171	29	397-	67-
96-98	308	11,483		172	56	11,311-	
97-99	1,127	12,164		16	1	12,148-	
98-00	1,405	12,570	895	60	4	12,510-	890-
99-01	1,530	1,385	91	155	10	1,230-	80-
00-02	737	1,638	222	258	35	1,380-	187-
01-03	427	22,039		246	58	21,793-	
02-04	991	21,941		149	15	21,792-	
03-05	882	20,968		47	5	20,921-	
04-06	715	8	1		0	8-	1-
05-07	8		0	8	100	8	100

FIVE-YEAR AVERAGE

03-07	534	12,581		33	6	12,548-	

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 477.10 SUBSTATION EQUIPMENT - DISTRIBUTION

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1985	2,601		0	82	3	82	3
1986	7,458		0	560	8	560	8
1987	3,051		0	1,598	52	1,598	52
1988	2,486		0	312	13	312	13
1989	565	600	106		0	600	106
1990	21,481	5,700	27	8,124	38	2,424	11
1991	2,331	1,905	82	3	0	1,902	82
1992							
1993							
1994							
1995				828		828	
1996							
1997	40	50	125		0	50	125
1998							
1999							
2000		9,528		58		9,470	
2001							
2002							
2003							
2004		152				152	
2005		100,489				100,489	
2006		6,240				6,240	
2007		7,762				7,762	
TOTAL	40,013	132,426	331	11,565	29	120,861	302

THREE-YEAR MOVING AVERAGES

85-87	4,370		0	747	17	747	17
86-88	4,332		0	823	19	823	19
87-89	2,034	200	10	637	31	437	21
88-90	8,177	2,100	26	2,812	34	712	9
89-91	8,126	2,735	34	2,709	33	26	0
90-92	7,937	2,535	32	2,709	34	174	2
91-93	777	635	82	1	0	634	82
92-94							
93-95				276		276	
94-96				276		276	

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 477.10 SUBSTATION EQUIPMENT - DISTRIBUTION

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
95-97	13	17	131	276		259	
96-98	13	17	131		0	17-131-	
97-99	13	17	131		0	17-131-	
98-00		3,176		19		3,157-	
99-01		3,176		19		3,157-	
00-02		3,176		19		3,157-	
01-03							
02-04		51				51-	
03-05		33,547				33,547-	
04-06		35,627				35,627-	
05-07		38,164				38,164-	
FIVE-YEAR AVERAGE							
03-07		22,929				22,929-	

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.10 STREET LIGHTS & SIGNAL SYSTEMS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1995	1,239		0	25	2	25	2
1996	3,739	866	23	804	22	62	2
1997	16,117	14,758	92	1,250	8	13,508	84
1998	5,155	8,178	159	1,341	26	6,837	133
1999	4,049	1,147	28	8	0	1,139	28
2000	7,272	3,651	50	100	1	3,551	49
2001	11,919	15,075	126	1,018	9	14,057	118
2002	127	162	128	229	180	67	53
2003	15,080	2,439	16	551	4	1,888	13
2004	11,382	750	7		0	750	7
2005	5,110	1,054	21	117	2	937	18
2006	5,341	7,164	134	1,156	22	6,008	112
2007	4,493	594	13	1,028	23	434	10
TOTAL	91,023	55,838	61	7,627	8	48,211	53

THREE-YEAR MOVING AVERAGES

95-97	7,032	5,208	74	693	10	4,515	64
96-98	8,337	7,934	95	1,132	14	6,802	82
97-99	8,440	8,028	95	866	10	7,162	85
98-00	5,492	4,325	79	483	9	3,842	70
99-01	7,747	6,624	86	375	5	6,249	81
00-02	6,439	6,296	98	449	7	5,847	91
01-03	9,042	5,892	65	599	7	5,293	59
02-04	8,863	1,117	13	260	3	857	10
03-05	10,524	1,414	13	223	2	1,191	11
04-06	7,278	2,989	41	424	6	2,565	35
05-07	4,981	2,937	59	767	15	2,170	44

FIVE-YEAR AVERAGE

03-07	8,281	2,400	29	570	7	1,830	22

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.20 SENTINAL LIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1983	9,341	1,820	19	8,405	90	6,585	70
1984	4,476	674	15	5,464	122	4,790	107
1985	2,601	101	4	2,792	107	2,691	103
1986	7,458	1,219	16	13,112	176	11,893	159
1987	3,051		0	1,950	64	1,950	64
1988	2,486	128	5	1,261	51	1,133	46
1989	565	139	25	423	75	284	50
1990							
1991							
1992	560		0	346	62	346	62
1993							
1994	936	4,130	441	468	50	3,662	391-
1995	83		0		0		0
1996							
1997							
1998							
1999							
2000		131				131-	
2001		1,483				1,483-	
2002							
2003							
2004							
2005							
2006							
2007							
TOTAL	31,557	9,825	31	34,221	108	24,396	77

THREE-YEAR MOVING AVERAGES

83-85	5,473	865	16	5,554	101	4,689	86
84-86	4,845	665	14	7,123	147	6,458	133
85-87	4,370	440	10	5,951	136	5,511	126
86-88	4,332	449	10	5,441	126	4,992	115
87-89	2,034	89	4	1,211	60	1,122	55
88-90	1,017	89	9	561	55	472	46
89-91	188	46	24	141	75	95	51
90-92	187		0	115	61	115	61

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.20 SENTINAL LIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	187		0	115	61	115	61
92-94	499	1,377	276	271	54	1,106	222-
93-95	340	1,377	405	156	46	1,221	359-
94-96	340	1,377	405	156	46	1,221	359-
95-97	28		0		0		0
96-98							
97-99							
98-00		44				44	-
99-01		538				538	-
00-02		538				538	-
01-03		494				494	-
02-04							
03-05							
04-06							
05-07							

FIVE-YEAR AVERAGE

03-07

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 479.10 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1995	9,037	1,864	21	216	2	1,648	18-
1996	4,704	1,665	35	12,154	258	10,489	223
1997	13,195	14,315	108	6,217	47	8,098	61-
1998	16,312	102,096	626	43,956	269	58,140	356-
1999	22,755	18,376	81	4,927	22	13,449	59-
2000	5,299	36,373	686	1,632	31	34,741	656-
2001	6,332	85,733		499	8	85,234	-
2002	4,381	64,644		4,313	98	60,331	-
2003	50,174	96,478	192	1,666	3	94,812	189-
2004	2,646	21,106	798	2,520	95	18,586	702-
2005	15,096	1,157	8	10,201	68	9,044	60
2006	18,276	6,720	37	7,943	43	1,223	7
2007	2,609	4,872	187	14,690	563	9,818	376
TOTAL	170,816	455,399	267	110,934	65	344,465	202-

THREE-YEAR MOVING AVERAGES

95-97	8,979	5,948	66	6,196	69	248	3
96-98	11,404	39,359	345	20,776	182	18,583	163-
97-99	17,421	44,929	258	18,367	105	26,562	152-
98-00	14,789	52,282	354	16,838	114	35,444	240-
99-01	11,462	46,827	409	2,353	21	44,474	388-
00-02	5,337	62,250		2,148	40	60,102	-
01-03	20,296	82,285	405	2,159	11	80,126	395-
02-04	19,067	60,743	319	2,833	15	57,910	304-
03-05	22,639	39,580	175	4,796	21	34,784	154-
04-06	12,006	9,661	80	6,888	57	2,773	23-
05-07	11,994	4,250	35	10,945	91	6,695	56

FIVE-YEAR AVERAGE

03-07	17,760	26,067	147	7,404	42	18,663	105-

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 482.00 STRUCTURES & IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1988	1,522		0	761	50	761	50
1989							
1990							
1991							
1992	201,929		0	10,551	5	10,551	5
1993							
1994							
1995	553		0	553	100	553	100
1996							
1997							
1998							
1999							
2000		3,073				3,073-	
2001							
2002							
2003							
2004							
2005							
2006							
2007							
TOTAL	204,004	3,073	2	11,865	6	8,792	4

THREE-YEAR MOVING AVERAGES

88-90	507	0	254	50	254	50
89-91						
90-92	67,310	0	3,517	5	3,517	5
91-93	67,310	0	3,517	5	3,517	5
92-94	67,310	0	3,517	5	3,517	5
93-95	184	0	184	100	184	100
94-96	184	0	184	100	184	100
95-97	184	0	184	100	184	100
96-98						
97-99						
98-00		1,024			1,024-	
99-01		1,024			1,024-	
00-02		1,024			1,024-	

YUKON ELECTRICAL COMPANY LIMITED
ACCOUNT 482.00 STRUCTURES & IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT

THREE-YEAR MOVING AVERAGES

01-03
02-04
03-05
04-06
05-07

FIVE-YEAR AVERAGE

03-07

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 484.00 TRANSPORTATION & MOBILE EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1983			3,239	3,239
1984				
1985	18,637	0	17 0	17 0
1986			105	105
1987	22,050	0	0	0
1988	84,427	0	724 1	724 1
1989	74,638	0	34,027 46	34,027 46
1990	93,988	0	81,660 87	81,660 87
1991	32,105	0	9,385 29	9,385 29
1992	192,122	0	40,970 21	40,970 21
1993	203,197	0	76,660 38	76,660 38
1994	174,850	0	56,547 32	56,547 32
1995			19,057	19,057
1996	150,825	0	18,217 12	18,217 12
1997	30,928	0	0	0
1998	676,007	0	301,323 45	301,323 45
1999	74,875	0	14,110 19	14,110 19
2000	86,082	0	10,751 12	10,751 12
2001	97,684	0	11,801 12	11,801 12
2002	168,240	0	26,306 16	26,306 16
2003				
2004				
2005				
2006				
2007	288,536	0	73,754 26	73,754 26
TOTAL	2,469,191	0	778,653 32	778,653 32

THREE-YEAR MOVING AVERAGES

83-85	6,212	0	1,085 17	1,085 17
84-86	6,212	0	41 1	41 1
85-87	13,562	0	41 0	41 0
86-88	35,492	0	276 1	276 1
87-89	60,372	0	11,584 19	11,584 19
88-90	84,351	0	38,804 46	38,804 46
89-91	66,910	0	41,691 62	41,691 62
90-92	106,072	0	44,005 41	44,005 41

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 484.00 TRANSPORTATION & MOBILE EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
91-93	142,475		0	42,338	30	42,338	30
92-94	190,056		0	58,059	31	58,059	31
93-95	126,016		0	50,755	40	50,755	40
94-96	108,558		0	31,274	29	31,274	29
95-97	60,584		0	12,425	21	12,425	21
96-98	285,920		0	106,513	37	106,513	37
97-99	260,603		0	105,144	40	105,144	40
98-00	278,988		0	108,728	39	108,728	39
99-01	86,214		0	12,221	14	12,221	14
00-02	117,335		0	16,286	14	16,286	14
01-03	88,641		0	12,702	14	12,702	14
02-04	56,080		0	8,769	16	8,769	16
03-05							
04-06							
05-07	96,179		0	24,585	26	24,585	26
FIVE-YEAR AVERAGE							
03-07	57,707		0	14,751	26	14,751	26

DETAILED DEPRECIATION CALCULATIONS

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 425.00 HYDRO EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
INTERIM SURVIVOR CURVE.. IOWA 30-R3					
PROBABLE RETIREMENT YEAR.. 12-2052					
NET SALVAGE PERCENT.. -10					
1987	767,223.86	3.21	24,627.89	.6581	504,910
1989	106,282.56	3.28	3,486.07	.6068	64,492
1990	1,347.72	3.32	44.74	.5810	783
1991	12,675.08	3.36	425.88	.5544	7,027
1992	15,093.64	3.39	511.67	.5255	7,932
1993	152,203.08	3.42	5,205.35	.4959	75,478
1996	24,178.48	3.52	851.08	.4048	9,787
1997	36,567.29	3.55	1,298.14	.3728	13,632
2000	113,629.19	3.64	4,136.10	.2730	31,021
2001	20,729.69	3.67	760.78	.2386	4,946
2002	11,519.73	3.70	426.23	.2035	2,344
2003	2,788.31	3.73	104.00	.1679	468
2004	42,198.95	3.76	1,586.68	.1316	5,553
2005	111,863.49	3.79	4,239.63	.0948	10,605
			47,704.24		738,978
NET SALVAGE ADJUSTMENT			4,770.42		73,898
TOTAL	1,418,301.07		52,474.66		812,876

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.70

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 442.00 STRUCTURES & IMPROVEMENTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R2.5					
NET SALVAGE PERCENT.. 0					
1971	163,957.92	2.14	3,508.70	.7811	128,068
1974	8,707.10	2.21	192.43	.7404	6,447
1976	15,576.34	2.26	352.03	.7119	11,089
1978	170.40	2.31	3.94	.6815	116
1982	55,338.07	2.40	1,328.11	.6120	33,867
1983	42,062.15	2.43	1,022.11	.5954	25,044
1985	13,952.01	2.47	344.61	.5558	7,755
1986	22,121.90	2.50	553.05	.5375	11,891
1987	311,360.32	2.52	7,846.28	.5166	160,849
1988	39,385.22	2.54	1,000.38	.4953	19,507
1989	29,819.59	2.57	766.36	.4755	14,179
1991	1,409.87	2.61	36.80	.4307	607
1992	10,141.91	2.64	267.75	.4092	4,150
1993	55,672.27	2.66	1,480.88	.3857	21,473
1996	8,908.07	2.74	244.08	.3151	2,807
1997	53,204.86	2.76	1,468.45	.2898	15,419
1998	54,144.48	2.79	1,510.63	.2651	14,354
1999	29,783.20	2.82	839.89	.2397	7,139
2001	186.47	2.88	5.37	.1872	35
2004	1,001.91	3.00	30.06	.1050	105
2005	243,013.04	3.05	7,411.90	.0763	18,542
2006	221,326.80	3.14	6,949.66	.0471	10,424
2007	116,600.09	3.33	3,882.78	.0167	1,947
TOTAL	1,497,843.99		41,046.25		515,814

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.74

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 444.00 FUEL HOLDERS, PRODUCTS & ACC

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R4					
NET SALVAGE PERCENT.. -30					
1971	12,407.46	2.46	305.22	.8979	11,141
1973	12,953.58	2.53	327.73	.8729	11,307
1976	8,400.29	2.63	220.93	.8285	6,960
1978	1,217.00	2.68	32.62	.7906	962
1982	52,075.44	2.79	1,452.90	.7115	37,052
1985	6,230.54	2.86	178.19	.6435	4,009
1986	7,089.08	2.88	204.17	.6192	4,390
1987	20,835.31	2.89	602.14	.5925	12,345
1988	86,979.73	2.91	2,531.11	.5675	49,361
1989	9,936.21	2.93	291.13	.5421	5,386
1990	14,133.96	2.94	415.54	.5145	7,272
1993	126,332.65	2.98	3,764.71	.4321	54,588
1994	92,190.19	2.99	2,756.49	.4037	37,217
1996	5,470.27	3.00	164.11	.3450	1,887
1997	397,144.70	3.01	11,954.06	.3161	125,537
1998	212,029.62	3.01	6,382.09	.2860	60,640
1999	146,101.74	3.02	4,412.27	.2567	37,504
2003	74,195.05	3.03	2,248.11	.1364	10,120
2004	40,176.97	3.03	1,217.36	.1061	4,263
2005	685,038.50	3.03	20,756.67	.0758	51,926
2006	100,239.51	3.04	3,047.28	.0456	4,571
2007	25,562.13	3.04	777.09	.0152	389
			64,041.92		538,827
NET SALVAGE ADJUSTMENT			19,212.58		161,648
TOTAL	2,136,739.93		83,254.50		700,475

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.90

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 445.00 GEN. EQUIP & PRIME MOVERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 27-R2.5					
NET SALVAGE PERCENT.. -10					
1971	201,213.63	2.52	5,070.58	.9198	185,076
1972	19,004.89	2.57	488.43	.9124	17,340
1973	37,647.21	2.63	990.12	.9074	34,161
1974	42,986.60	2.68	1,152.04	.8978	38,593
1975	3,760.62	2.73	102.66	.8873	3,337
1976	27,045.00	2.79	754.56	.8789	23,770
1977	38,983.47	2.84	1,107.13	.8662	33,767
1978	18,171.45	2.90	526.97	.8555	15,546
1981	72,053.39	3.07	2,212.04	.8136	58,623
1982	213,826.72	3.12	6,671.39	.7956	170,121
1983	27,161.66	3.18	863.74	.7791	21,162
1984	130,687.43	3.23	4,221.20	.7591	99,205
1985	172,488.00	3.28	5,657.61	.7380	127,296
1986	58,578.85	3.34	1,956.53	.7181	42,065
1987	550,375.45	3.39	18,657.73	.6950	382,511
1988	108,058.84	3.44	3,717.22	.6708	72,486
1989	452,063.54	3.49	15,777.02	.6457	291,897
1990	163,712.02	3.54	5,795.41	.6195	101,420
1991	1,531,347.46	3.60	55,128.51	.5940	909,620
1992	228,528.33	3.65	8,341.28	.5658	129,301
1993	1,154,965.11	3.70	42,733.71	.5365	619,639
1994	182,315.39	3.75	6,836.83	.5063	92,306
1996	304,639.56	3.85	11,728.62	.4428	134,894
1997	341,013.43	3.90	13,299.52	.4095	139,645
1998	593,330.70	3.96	23,495.90	.3762	223,211
1999	729,496.12	4.01	29,252.79	.3409	248,685
2000	33,218.56	4.07	1,352.00	.3053	10,142
2002	6,723.20	4.19	281.70	.2305	1,550
2003	172,163.64	4.26	7,334.17	.1917	33,004
2004	828,912.57	4.33	35,891.91	.1516	125,663
			311,399.32		4,386,036
NET SALVAGE ADJUSTMENT			31,139.93		438,604
TOTAL	8,444,472.84		342,539.25		4,824,640

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.06

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 446.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R3					
NET SALVAGE PERCENT.. 0					
1971	98,915.65	2.36	2,334.41	.8614	85,206
1972	18,953.10	2.39	452.98	.8485	16,082
1973	19,440.37	2.42	470.46	.8349	16,231
1974	8,395.42	2.46	206.53	.8241	6,919
1975	103.48	2.49	2.58	.8093	84
1976	5,734.12	2.52	144.50	.7938	4,552
1977	2,615.07	2.55	66.68	.7778	2,034
1980	7,433.19	2.65	196.98	.7288	5,417
1981	4,799.96	2.68	128.64	.7102	3,409
1982	27,320.47	2.70	737.65	.6885	18,810
1983	4,590.97	2.73	125.33	.6689	3,071
1984	9,095.34	2.76	251.03	.6486	5,899
1985	8,026.04	2.79	223.93	.6278	5,039
1986	36,788.29	2.82	1,037.43	.6063	22,305
1987	220,208.40	2.84	6,253.92	.5822	128,205
1988	4,746.21	2.87	136.22	.5597	2,656
1989	112,180.64	2.90	3,253.24	.5365	60,185
1990	229,249.31	2.92	6,694.08	.5110	117,146
1991	21,302.39	2.95	628.42	.4868	10,370
1992	28,086.25	2.97	834.16	.4604	12,931
1993	90,437.92	2.99	2,704.09	.4336	39,214
1994	9,356.98	3.02	282.58	.4077	3,815
1997	219,877.38	3.09	6,794.21	.3245	71,350
1998	120,839.55	3.11	3,758.11	.2955	35,708
1999	163,692.44	3.13	5,123.57	.2661	43,559
2000	178,760.24	3.15	5,630.95	.2363	42,241
2001	187,978.07	3.17	5,958.90	.2061	38,742
2002	30,735.63	3.19	980.47	.1755	5,394
2003	129,841.31	3.21	4,167.91	.1445	18,762
2004	38,327.34	3.23	1,237.97	.1131	4,335
2005	4,960.69	3.26	161.72	.0815	404
2006	28,872.72	3.29	949.91	.0494	1,426
2007	70,156.25	3.36	2,357.25	.0168	1,179
TOTAL	2,141,821.19		64,286.81		832,680

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.00

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 447.00 MISC. POWER PLANT EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R3					
NET SALVAGE PERCENT.. -5					
1971	17,593.71	2.36	415.21	.8614	15,155
1979	4,179.21	2.62	109.50	.7467	3,121
1982	22,303.41	2.70	602.19	.6885	15,356
1987	14,434.04	2.84	409.93	.5822	8,403
1991	34,034.46	2.95	1,004.02	.4868	16,568
1992	92,241.67	2.97	2,739.58	.4604	42,468
1993	198.09	2.99	5.92	.4336	86
1996	76.70	3.06	2.35	.3519	27
1997	54,613.60	3.09	1,687.56	.3245	17,722
1998	27,448.30	3.11	853.64	.2955	8,111
1999	8,046.80	3.13	251.86	.2661	2,141
2000	1,450.00	3.15	45.68	.2363	343
2003	37,097.53	3.21	1,190.83	.1445	5,361
2004	61,572.40	3.23	1,988.79	.1131	6,964
2005	18,356.25	3.26	598.41	.0815	1,496
2006	27,067.90	3.29	890.53	.0494	1,337
2007	222,451.90	3.36	7,474.38	.0168	3,737
			20,270.38		148,396
NET SALVAGE ADJUSTMENT			1,013.52		7,420
TOTAL	643,165.97		21,283.90		155,816

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.31

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 457.00 SUBSTATION EQUIPMENT - TRANSMISSION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1957	12,434.39	1.89	235.01	.9545	11,869
1960	4,969.00	1.98	98.39	.9405	4,673
1961	1,012.00	2.01	20.34	.9347	946
1963	1,563.00	2.07	32.35	.9212	1,440
1964	329.00	2.10	6.91	.9135	301
1965	631.00	2.13	13.44	.9053	571
1966	96.20	2.15	2.07	.8923	86
1967	9,043.63	2.18	197.15	.8829	7,985
1968	21,409.00	2.21	473.14	.8730	18,690
1969	25,261.00	2.24	565.85	.8624	21,785
1970	17,772.00	2.26	401.65	.8475	15,062
1971	3,930.00	2.29	90.00	.8359	3,285
1974	41,250.75	2.35	969.39	.7873	32,477
1975	143,608.80	2.37	3,403.53	.7703	110,622
1981	8,150.00	2.49	202.94	.6599	5,378
1982	3,210.00	2.50	80.25	.6375	2,046
1984	9,590.00	2.53	242.63	.5946	5,702
1985	14,603.26	2.54	370.92	.5715	8,346
1986	43,015.79	2.56	1,101.20	.5504	23,676
1988	21,596.39	2.58	557.19	.5031	10,865
1989	18,476.14	2.59	478.53	.4792	8,854
1992	231,307.73	2.61	6,037.13	.4046	93,587
1993	460,428.37	2.62	12,063.22	.3799	174,917
1996	147,978.24	2.63	3,891.83	.3025	44,763
1997	93,710.35	2.64	2,473.95	.2772	25,977
1999	62,040.09	2.64	1,637.86	.2244	13,922
2000	4,081.39	2.65	108.16	.1988	811
TOTAL	1,401,497.52		35,755.03		648,636

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.55

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 471.00 LAND RIGHTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 75-R3					
NET SALVAGE PERCENT.. 0					
1971	1,500.00	1.37	20.55	.5001	750
1979	198.05	1.41	2.79	.4019	80
1994	12,700.80	1.48	187.97	.1998	2,538
1995	44,975.18	1.49	670.13	.1863	8,379
1996	46,085.52	1.49	686.67	.1714	7,899
1997	140,113.75	1.49	2,087.69	.1565	21,928
1998	50,522.14	1.50	757.83	.1425	7,199
1999	50,004.19	1.50	750.06	.1275	6,376
2000	49,670.66	1.51	750.03	.1133	5,628
2001	55,348.17	1.51	835.76	.0982	5,435
2002	34,647.85	1.52	526.65	.0836	2,897
2003	61,972.64	1.53	948.18	.0689	4,270
2004	60,926.26	1.53	932.17	.0536	3,266
2005	204,085.51	1.54	3,142.92	.0385	7,857
2006	46,254.29	1.56	721.57	.0234	1,082
2007	69,624.60	1.58	1,100.07	.0079	550
TOTAL	928,629.61		14,121.04		86,134

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 1.52

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. -60					
1958	3,501.43	1.86	65.13	.9207	3,224
1959	10,342.15	1.88	194.43	.9118	9,430
1960	74,343.93	1.91	1,419.97	.9073	67,452
1961	23,251.05	1.93	448.75	.8975	20,868
1962	18,686.97	1.96	366.26	.8918	16,665
1963	23,258.62	1.99	462.85	.8856	20,598
1964	26,072.00	2.01	524.05	.8744	22,797
1965	25,277.88	2.04	515.67	.8670	21,916
1966	71,544.38	2.07	1,480.97	.8591	61,464
1967	43,726.74	2.09	913.89	.8465	37,015
1968	107,095.41	2.12	2,270.42	.8374	89,682
1969	106,914.78	2.14	2,287.98	.8239	88,087
1970	24,119.52	2.17	523.39	.8138	19,628
1971	19,783.18	2.19	433.25	.7994	15,815
1972	139,603.47	2.22	3,099.20	.7881	110,021
1973	104,066.37	2.24	2,331.09	.7728	80,422
1974	99,646.96	2.27	2,261.99	.7605	75,782
1975	156,308.62	2.29	3,579.47	.7443	116,341
1976	100,200.78	2.31	2,314.64	.7277	72,916
1977	246,846.34	2.34	5,776.20	.7137	176,174
1978	220,617.09	2.36	5,206.56	.6962	153,594
1979	208,732.72	2.38	4,967.84	.6783	141,583
1980	124,753.21	2.40	2,994.08	.6600	82,337
1981	136,292.75	2.42	3,298.28	.6413	87,405
1982	355,668.48	2.44	8,678.31	.6222	221,297
1983	135,039.76	2.47	3,335.48	.6052	81,726
1984	279,893.65	2.49	6,969.35	.5852	163,794
1985	764,024.90	2.51	19,177.02	.5648	431,521
1986	284,331.11	2.53	7,193.58	.5440	154,676
1987	425,098.94	2.55	10,840.02	.5228	222,242
1988	334,756.95	2.57	8,603.25	.5012	167,780
1989	580,701.32	2.58	14,982.09	.4773	277,169
1990	1,116,938.13	2.60	29,040.39	.4550	508,207
1991	785,559.05	2.62	20,581.65	.4323	339,597
1992	1,166,046.15	2.64	30,783.62	.4092	477,146

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 473.00 POLES, TOWERS, & FIXTURES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. -60					
1993	1,603,786.57	2.66	42,660.72	.3857	618,580
1994	1,007,109.27	2.67	26,889.82	.3605	363,063
1995	913,090.11	2.69	24,562.12	.3363	307,072
1996	903,471.01	2.71	24,484.06	.3117	281,612
1997	770,189.70	2.72	20,949.16	.2856	219,966
1998	680,011.24	2.74	18,632.31	.2603	177,007
1999	769,391.01	2.76	21,235.19	.2346	180,499
2000	621,110.04	2.77	17,204.75	.2078	129,067
2001	636,466.49	2.79	17,757.42	.1814	115,455
2002	985,772.90	2.80	27,601.64	.1540	151,809
2003	775,635.83	2.82	21,872.93	.1269	98,428
2004	1,287,390.36	2.84	36,561.89	.0994	127,967
2005	991,943.45	2.86	28,369.58	.0715	70,924
2006	1,400,730.62	2.89	40,481.11	.0434	60,792
2007	1,051,022.38	2.95	31,005.16	.0148	15,555
			608,188.98		7,554,167
NET SALVAGE ADJUSTMENT			364,913.39		4,532,500
TOTAL	22,740,165.77		973,102.37		12,086,667

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.28

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.00 OVERHEAD CONDUCTORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. -70					
1948	255.83	1.63	4.17	.9699	248
1949	510.02	1.65	8.42	.9653	492
1950	123.73	1.67	2.07	.9603	119
1951	739.89	1.69	12.50	.9549	707
1952	1,127.00	1.71	19.27	.9491	1,070
1953	2,029.00	1.74	35.30	.9483	1,924
1954	2,638.00	1.76	46.43	.9416	2,484
1955	1,642.33	1.78	29.23	.9345	1,535
1956	2,743.00	1.81	49.65	.9322	2,557
1957	937.00	1.83	17.15	.9242	866
1958	5,559.00	1.86	103.40	.9207	5,118
1959	8,040.00	1.88	151.15	.9118	7,331
1960	72,519.99	1.91	1,385.13	.9073	65,797
1961	9,293.00	1.93	179.35	.8975	8,340
1962	12,100.41	1.96	237.17	.8918	10,791
1963	14,243.14	1.99	283.44	.8856	12,614
1964	11,003.00	2.01	221.16	.8744	9,621
1965	16,366.10	2.04	333.87	.8670	14,189
1966	46,501.90	2.07	962.59	.8591	39,950
1967	35,979.76	2.09	751.98	.8465	30,457
1968	68,255.09	2.12	1,447.01	.8374	57,157
1969	125,172.05	2.14	2,678.68	.8239	103,129
1970	28,340.58	2.17	614.99	.8138	23,064
1971	19,095.86	2.19	418.20	.7994	15,265
1972	110,310.05	2.22	2,448.88	.7881	86,935
1973	108,563.49	2.24	2,431.82	.7728	83,898
1974	57,715.94	2.27	1,310.15	.7605	43,893
1975	145,761.14	2.29	3,337.93	.7443	108,490
1976	107,189.11	2.31	2,476.07	.7277	78,002
1977	147,149.09	2.34	3,443.29	.7137	105,020
1978	96,262.87	2.36	2,271.80	.6962	67,018
1979	77,442.47	2.38	1,843.13	.6783	52,529
1980	123,111.66	2.40	2,954.68	.6600	81,254
1981	92,083.46	2.42	2,228.42	.6413	59,053
1982	210,310.33	2.44	5,131.57	.6222	130,855

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.00 OVERHEAD CONDUCTORS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. -70					
1983	132,046.38	2.47	3,261.55	.6052	79,914
1984	125,609.81	2.49	3,127.68	.5852	73,507
1985	679,027.56	2.51	17,043.59	.5648	383,515
1986	136,683.35	2.53	3,458.09	.5440	74,356
1987	328,625.90	2.55	8,379.96	.5228	171,806
1988	239,184.34	2.57	6,147.04	.5012	119,879
1989	332,770.42	2.58	8,585.48	.4773	158,831
1990	680,668.85	2.60	17,697.39	.4550	309,704
1991	519,771.93	2.62	13,618.02	.4323	224,697
1992	486,666.63	2.64	12,848.00	.4092	199,144
1993	824,424.64	2.66	21,929.70	.3857	317,981
1994	463,654.51	2.67	12,379.58	.3605	167,147
1995	357,960.34	2.69	9,629.13	.3363	120,382
1996	560,659.88	2.71	15,193.88	.3117	174,758
1997	521,699.29	2.72	14,190.22	.2856	148,997
1998	410,383.42	2.74	11,244.51	.2603	106,823
1999	411,439.20	2.76	11,355.72	.2346	96,524
2000	479,416.56	2.77	13,279.84	.2078	99,623
2001	472,747.67	2.79	13,189.66	.1814	85,756
2002	511,085.75	2.80	14,310.40	.1540	78,707
2003	423,598.69	2.82	11,945.48	.1269	53,755
2004	778,010.48	2.84	22,095.50	.0994	77,334
2005	793,967.63	2.86	22,707.47	.0715	56,769
2006	1,158,744.24	2.89	33,487.71	.0434	50,290
2007	1,502,536.32	2.95	44,324.82	.0148	22,238
			405,300.47		4,764,209
NET SALVAGE ADJUSTMENT			283,710.33		3,334,946
TOTAL	15,092,499.08		689,010.80		8,099,155

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.57

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. 0					
1945	2,225.16	1.57	34.94	.9813	2,184
1946	414.58	1.59	6.59	.9779	405
1947	476.35	1.61	7.67	.9741	464
1948	569.49	1.63	9.28	.9699	552
1949	673.48	1.65	11.11	.9653	650
1950	808.02	1.67	13.49	.9603	776
1951	900.65	1.69	15.22	.9549	860
1952	1,366.00	1.71	23.36	.9491	1,296
1953	2,459.00	1.74	42.79	.9483	2,332
1954	3,197.00	1.76	56.27	.9416	3,010
1955	2,771.00	1.78	49.32	.9345	2,589
1956	3,325.00	1.81	60.18	.9322	3,100
1957	3,592.00	1.83	65.73	.9242	3,320
1958	1,170.00	1.86	21.76	.9207	1,077
1959	1,533.00	1.88	28.82	.9118	1,398
1960	1,560.00	1.91	29.80	.9073	1,415
1961	2,088.00	1.93	40.30	.8975	1,874
1962	5,328.00	1.96	104.43	.8918	4,752
1963	2,524.00	1.99	50.23	.8856	2,235
1964	4,560.00	2.01	91.66	.8744	3,987
1965	3,229.00	2.04	65.87	.8670	2,800
1966	4,597.36	2.07	95.17	.8591	3,950
1967	7,481.00	2.09	156.35	.8465	6,333
1968	8,000.00	2.12	169.60	.8374	6,699
1969	7,547.00	2.14	161.51	.8239	6,218
1970	13,862.00	2.17	300.81	.8138	11,281
1971	12,265.00	2.19	268.60	.7994	9,805
1972	13,075.00	2.22	290.27	.7881	10,304
1973	15,000.00	2.24	336.00	.7728	11,592
1974	20,183.00	2.27	458.15	.7605	15,349
1975	34,735.00	2.29	795.43	.7443	25,853
1976	38,249.00	2.31	883.55	.7277	27,834
1977	42,595.00	2.34	996.72	.7137	30,400
1978	65,173.00	2.36	1,538.08	.6962	45,373
1979	52,452.00	2.38	1,248.36	.6783	35,578

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 474.10 OVERHEAD SERVICES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. 0					
1980	43,486.00	2.40	1,043.66	.6600	28,701
1981	53,468.00	2.42	1,293.93	.6413	34,289
1982	31,625.00	2.44	771.65	.6222	19,677
1983	40,610.00	2.47	1,003.07	.6052	24,577
1984	40,417.00	2.49	1,006.38	.5852	23,652
1985	33,725.26	2.51	846.50	.5648	19,048
1986	51,864.96	2.53	1,312.18	.5440	28,215
1987	68,115.22	2.55	1,736.94	.5228	35,611
1988	70,536.11	2.57	1,812.78	.5012	35,353
1989	84,226.33	2.58	2,173.04	.4773	40,201
1990	98,154.04	2.60	2,552.01	.4550	44,660
1991	114,680.71	2.62	3,004.63	.4323	49,576
1992	169,919.75	2.64	4,485.88	.4092	69,531
1993	112,244.23	2.66	2,985.70	.3857	43,293
1994	65,055.53	2.67	1,736.98	.3605	23,453
1995	56,191.63	2.69	1,511.55	.3363	18,897
1997	46,819.36	2.72	1,273.49	.2856	13,372
1998	47,291.06	2.74	1,295.78	.2603	12,310
1999	41,497.06	2.76	1,145.32	.2346	9,735
2000	38,422.14	2.77	1,064.29	.2078	7,984
2001	29,661.04	2.79	827.54	.1814	5,381
2002	61,450.62	2.80	1,720.62	.1540	9,463
2003	58,618.71	2.82	1,653.05	.1269	7,439
2004	73,588.23	2.84	2,089.91	.0994	7,315
2005	64,612.17	2.86	1,847.91	.0715	4,620
2006	136,352.60	2.89	3,940.59	.0434	5,918
2007	193,359.49	2.95	5,704.10	.0148	2,862
TOTAL	2,305,976.34		60,366.90		912,778

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.62

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 475.00 UNDERGROUND CONDUIT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 50-R4					
NET SALVAGE PERCENT.. -5					
1961	127.19	1.82	2.31	.8463	108
1969	1,356.35	1.93	26.18	.7431	1,008
1971	65.00	1.95	1.27	.7118	46
1972	14,154.38	1.96	277.43	.6958	9,849
1973	5,056.00	1.97	99.60	.6797	3,437
1974	7,373.22	1.98	145.99	.6633	4,891
1975	8,587.37	1.99	170.89	.6468	5,554
1976	66,670.57	2.01	1,340.08	.6332	42,216
1977	4,549.00	2.01	91.43	.6131	2,789
1978	257,255.88	2.02	5,196.57	.5959	153,299
1979	17,007.99	2.03	345.26	.5786	9,841
1980	716,643.98	2.04	14,619.54	.5610	402,037
1981	23,266.00	2.05	476.95	.5433	12,640
1982	49,311.39	2.06	1,015.81	.5253	25,903
1983	68,295.31	2.06	1,406.88	.5047	34,469
1984	32,676.52	2.07	676.40	.4865	15,897
1985	61,229.70	2.07	1,267.45	.4658	28,521
1986	21,965.42	2.08	456.88	.4472	9,823
1987	181,124.12	2.08	3,767.38	.4264	77,231
1988	70,261.38	2.09	1,468.46	.4076	28,639
1989	1,382,612.06	2.09	28,896.59	.3867	534,656
1990	239,241.64	2.10	5,024.07	.3675	87,921
1991	171,937.17	2.10	3,610.68	.3465	59,576
1992	736,477.56	2.10	15,466.03	.3255	239,723
1993	996,540.23	2.11	21,027.00	.3060	304,941
1994	267,822.74	2.11	5,651.06	.2849	76,303
1995	1,124,713.96	2.11	23,731.46	.2638	296,700
1996	533,259.01	2.11	11,251.77	.2427	129,422
1997	1,120,397.24	2.12	23,752.42	.2226	249,400
1998	658,133.08	2.12	13,952.42	.2014	132,548
1999	876,264.79	2.12	18,576.81	.1802	157,903
2000	527,543.67	2.12	11,183.93	.1590	83,879
2001	1,723,813.98	2.12	36,544.86	.1378	237,542
2002	1,013,816.38	2.12	21,492.91	.1166	118,211
2003	1,153,334.82	2.12	24,450.70	.0954	110,028

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 475.00 UNDERGROUND CONDUIT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 50-R4					
NET SALVAGE PERCENT.. -5					
2004	997,611.57	2.12	21,149.37	.0742	74,023
2005	725,191.81	2.13	15,446.59	.0533	38,653
2006	739,984.77	2.13	15,761.68	.0320	23,680
2007	830,218.96	2.13	17,683.66	.0107	8,883
			367,506.77		3,832,190
NET SALVAGE ADJUSTMENT			18,375.34		191,610
TOTAL	17,425,892.21		385,882.11		4,023,800

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.21

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 475.10 UNDERGROUND SERVICES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R4					
NET SALVAGE PERCENT.. 0					
1971	67.00	2.29	1.53	.8359	56
1977	1,355.00	2.41	32.66	.7351	996
1978	11,995.00	2.43	291.48	.7169	8,599
1979	16,300.87	2.45	399.37	.6983	11,383
1980	5,199.00	2.47	128.42	.6793	3,532
1981	14,492.00	2.49	360.85	.6599	9,563
1982	6,287.00	2.50	157.18	.6375	4,008
1983	4,186.00	2.52	105.49	.6174	2,584
1984	6,102.00	2.53	154.38	.5946	3,628
1985	2,748.00	2.54	69.80	.5715	1,570
1986	47,745.00	2.56	1,222.27	.5504	26,279
1987	64,548.00	2.57	1,658.88	.5269	34,010
1988	57,639.00	2.58	1,487.09	.5031	28,998
1989	66,299.00	2.59	1,717.14	.4792	31,770
1990	69,684.25	2.60	1,811.79	.4550	31,706
1991	90,036.94	2.61	2,349.96	.4307	38,779
1992	155,523.82	2.61	4,059.17	.4046	62,925
1993	198,306.52	2.62	5,195.63	.3799	75,337
1994	84,998.68	2.62	2,226.97	.3537	30,064
1995	124,421.29	2.63	3,272.28	.3288	40,910
1996	226,715.30	2.63	5,962.61	.3025	68,581
1997	125,908.93	2.64	3,324.00	.2772	34,902
1998	99,863.58	2.64	2,636.40	.2508	25,046
1999	73,189.90	2.64	1,932.21	.2244	16,424
2000	18,676.69	2.65	494.93	.1988	3,713
2001	67,575.12	2.65	1,790.74	.1723	11,643
2002	74,175.79	2.65	1,965.66	.1458	10,815
2003	77,294.57	2.65	2,048.31	.1193	9,221
2004	209,258.96	2.65	5,545.36	.0928	19,419
2005	149,196.32	2.66	3,968.62	.0665	9,922
2006	233,489.35	2.66	6,210.82	.0399	9,316
2007	163,770.29	2.66	4,356.29	.0133	2,178
TOTAL	2,547,049.17		66,938.29		667,877

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.63

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 476.30 AMR METERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 25-S2					
NET SALVAGE PERCENT.. 0					
2007	8,035.69	4.54	364.82	.0227	182
TOTAL	8,035.69		364.82		182

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.54

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 477.10 SUBSTATION EQUIPMENT - DISTRIBUTION

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R3					
NET SALVAGE PERCENT.. 0					
1960	3,631.70	1.99	72.27	.9453	3,433
1968	16,606.00	2.25	373.64	.8888	14,759
1969	882.00	2.29	20.20	.8817	778
1971	39,959.05	2.36	943.03	.8614	34,421
1972	2,089.52	2.39	49.94	.8485	1,773
1973	56,550.00	2.42	1,368.51	.8349	47,214
1974	446.22	2.46	10.98	.8241	368
1976	333,091.33	2.52	8,393.90	.7938	264,408
1977	70,884.17	2.55	1,807.55	.7778	55,134
1979	14,954.00	2.62	391.79	.7467	11,166
1980	80,834.73	2.65	2,142.12	.7288	58,912
1981	126,329.84	2.68	3,385.64	.7102	89,719
1985	43,522.68	2.79	1,214.28	.6278	27,324
1986	118,315.85	2.82	3,336.51	.6063	71,735
1987	335,797.16	2.84	9,536.64	.5822	195,501
1988	60,907.24	2.87	1,748.04	.5597	34,090
1989	36,582.03	2.90	1,060.88	.5365	19,626
1990	132,200.60	2.92	3,860.26	.5110	67,555
1991	259,920.34	2.95	7,667.65	.4868	126,529
1992	98,578.56	2.97	2,927.78	.4604	45,386
1993	166,934.17	2.99	4,991.33	.4336	72,383
1994	41,680.13	3.02	1,258.74	.4077	16,993
1996	196,092.49	3.06	6,000.43	.3519	69,005
1997	1,894.26	3.09	58.53	.3245	615
1999	46,617.77	3.13	1,459.14	.2661	12,405
2000	79,093.83	3.15	2,491.46	.2363	18,690
2001	253,074.36	3.17	8,022.46	.2061	52,159
2005	491,706.97	3.26	16,029.65	.0815	40,074
2006	22,338.61	3.29	734.94	.0494	1,104
TOTAL	3,131,515.61		91,358.29		1,453,259

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.92

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.10 STREET LIGHTS & SIGNAL SYSTEMS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 25-R3					
NET SALVAGE PERCENT.. -10					
1974	4,057.78	2.81	114.02	.9414	3,820
1975	230.46	2.87	6.61	.9328	215
1977	42,801.31	3.00	1,284.04	.9150	39,163
1978	22,260.89	3.07	683.41	.9057	20,162
1979	23,327.33	3.13	730.15	.8921	20,810
1980	184,650.87	3.20	5,908.83	.8800	162,493
1981	28,488.46	3.27	931.57	.8666	24,688
1982	69,549.87	3.34	2,322.97	.8517	59,236
1983	113,988.36	3.40	3,875.60	.8330	94,952
1984	98,481.92	3.47	3,417.32	.8155	80,312
1985	31,537.02	3.53	1,113.26	.7943	25,050
1986	348,615.98	3.59	12,515.31	.7719	269,097
1987	137,151.99	3.65	5,006.05	.7483	102,631
1988	209,962.68	3.71	7,789.62	.7235	151,908
1989	572,762.96	3.77	21,593.16	.6975	399,502
1990	277,742.69	3.83	10,637.55	.6703	186,171
1991	222,337.62	3.88	8,626.70	.6402	142,341
1992	89,796.68	3.94	3,537.99	.6107	54,839
1993	353,801.93	3.99	14,116.70	.5786	204,710
1994	247,288.34	4.04	9,990.45	.5454	134,871
1995	310,528.34	4.09	12,700.61	.5113	158,773
1996	107,223.57	4.14	4,439.06	.4761	51,049
1997	413,878.23	4.19	17,341.50	.4400	182,106
1998	217,759.97	4.23	9,211.25	.4019	87,518
1999	251,341.73	4.28	10,757.43	.3638	91,438
2000	210,200.54	4.32	9,080.66	.3240	68,105
2001	356,557.44	4.36	15,545.90	.2834	101,048
2002	195,535.23	4.40	8,603.55	.2420	47,320
2003	588,194.07	4.44	26,115.82	.1998	117,521
2004	504,727.00	4.48	22,611.77	.1568	79,141
2005	109,056.61	4.53	4,940.26	.1133	12,356
2006	801,584.15	4.58	36,712.55	.0687	55,069
2007	553,583.31	4.68	25,907.70	.0234	12,954
			318,169.37		3,241,369
NET SALVAGE ADJUSTMENT			31,816.94		324,137
TOTAL	7,699,005.33		349,986.31		3,565,506

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.55

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 478.20 SENTINEL LIGHTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 23-R2					
NET SALVAGE PERCENT.. +10					
1967	2,516.28	2.44	61.40	.9882	2,487
1973	1,471.00	2.73	40.16	.9419	1,386
1974	19,675.00	2.78	546.97	.9313	18,323
1975	4,754.00	2.84	135.01	.9230	4,388
1976	14,852.76	2.90	430.73	.9135	13,568
1977	10,540.00	2.96	311.98	.9028	9,516
1978	16,073.00	3.03	487.01	.8939	14,368
1979	29,321.00	3.09	906.02	.8807	25,823
1980	18,970.00	3.16	599.45	.8690	16,485
1981	17,037.00	3.23	550.30	.8560	14,584
1982	9,135.00	3.30	301.46	.8415	7,687
1983	10,835.00	3.37	365.14	.8257	8,946
1984	19,067.94	3.44	655.94	.8084	15,415
1985	10,529.38	3.51	369.58	.7898	8,316
1986	31,912.79	3.58	1,142.48	.7697	24,563
1987	14,211.05	3.66	520.12	.7503	10,663
1988	13,496.10	3.73	503.40	.7274	9,817
1989	7,391.51	3.80	280.88	.7030	5,196
1990	3,329.07	3.88	129.17	.6790	2,260
1991	2,562.75	3.96	101.48	.6534	1,675
1992	10,584.67	4.03	426.56	.6247	6,612
1993	152.13	4.11	6.25	.5960	91
1997	15,872.16	4.44	704.72	.4662	7,400
1999	448.69	4.62	20.73	.3927	176
			9,596.94		229,745
NET SALVAGE ADJUSTMENT			959.69-		22,975-
TOTAL	284,738.28		8,637.25		206,770

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.03

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 479.10 LINE TRANSFORMERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R3					
NET SALVAGE PERCENT.. -5					
1946	226.33			1.0000	226
1947	1,242.88			1.0000	1,243
1948	1,616.79			1.0000	1,617
1950	28.96	1.73	0.50	.9948	29
1951	15,498.02	1.75	271.22	.9888	15,324
1952	20,900.00	1.78	372.02	.9879	20,647
1953	2,758.00	1.80	49.64	.9810	2,706
1954	5,453.44	1.83	99.80	.9791	5,339
1955	22,167.43	1.85	410.10	.9713	21,531
1956	3,729.00	1.88	70.11	.9682	3,610
1958	2,255.00	1.93	43.52	.9554	2,154
1959	18,726.00	1.96	367.03	.9506	17,801
1960	37,058.01	1.99	737.45	.9453	35,031
1961	10,822.00	2.02	218.60	.9393	10,165
1962	9,436.00	2.05	193.44	.9328	8,802
1963	24,530.00	2.08	510.22	.9256	22,705
1964	6,995.00	2.12	148.29	.9222	6,451
1965	13,727.00	2.15	295.13	.9138	12,544
1966	36,590.20	2.18	797.67	.9047	33,103
1967	64,217.05	2.22	1,425.62	.8991	57,738
1968	180,128.57	2.25	4,052.89	.8888	160,098
1969	38,585.06	2.29	883.60	.8817	34,020
1970	51,775.73	2.32	1,201.20	.8700	45,045
1971	68,013.76	2.36	1,605.12	.8614	58,587
1972	79,057.06	2.39	1,889.46	.8485	67,080
1973	67,293.83	2.42	1,628.51	.8349	56,184
1974	70,414.74	2.46	1,732.20	.8241	58,029
1975	108,650.49	2.49	2,705.40	.8093	87,931
1976	71,173.88	2.52	1,793.58	.7938	56,498
1977	93,591.46	2.55	2,386.58	.7778	72,795
1978	142,269.97	2.59	3,684.79	.7641	108,708
1979	191,576.63	2.62	5,019.31	.7467	143,050
1980	198,902.42	2.65	5,270.91	.7288	144,960
1981	185,444.66	2.68	4,969.92	.7102	131,703
1982	125,172.27	2.70	3,379.65	.6885	86,181

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 479.10 LINE TRANSFORMERS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 35-R3					
NET SALVAGE PERCENT.. -5					
1983	65,923.13	2.73	1,799.70	.6689	44,096
1984	57,612.00	2.76	1,590.09	.6486	37,367
1985	202,749.98	2.79	5,656.72	.6278	127,286
1986	205,228.37	2.82	5,787.44	.6063	124,430
1987	505,969.46	2.84	14,369.53	.5822	294,575
1988	306,132.88	2.87	8,786.01	.5597	171,343
1989	485,270.58	2.90	14,072.85	.5365	260,348
1990	725,889.71	2.92	21,195.98	.5110	370,930
1991	767,289.63	2.95	22,635.04	.4868	373,517
1992	770,960.71	2.97	22,897.53	.4604	354,950
1993	941,284.95	2.99	28,144.42	.4336	408,141
1994	504,127.56	3.02	15,224.65	.4077	205,533
1995	471,129.85	3.04	14,322.35	.3800	179,029
1996	656,248.00	3.06	20,081.19	.3519	230,934
1997	493,107.14	3.09	15,237.01	.3245	160,013
1998	494,985.10	3.11	15,394.04	.2955	146,268
1999	377,795.18	3.13	11,824.99	.2661	100,531
2000	591,914.63	3.15	18,645.31	.2363	139,869
2001	574,603.49	3.17	18,214.93	.2061	118,426
2002	539,849.29	3.19	17,221.19	.1755	94,744
2003	740,255.14	3.21	23,762.19	.1445	106,967
2004	802,998.18	3.23	25,936.84	.1131	90,819
2005	1,391,984.50	3.26	45,378.69	.0815	113,447
2006	1,456,722.94	3.29	47,926.18	.0494	71,962
2007	1,495,855.79	3.36	50,260.75	.0168	25,130
			534,579.10		5,940,290
NET SALVAGE ADJUSTMENT			26,728.96		297,015
TOTAL	17,595,915.83		561,308.06		6,237,305

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.19

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 482.00 STRUCTURES & IMPROVEMENTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 32-R4					
NET SALVAGE PERCENT.. +5					
1972	59,482.48	2.59	1,540.60	.9195	54,694
1973	16,635.00	2.63	437.50	.9074	15,095
1974	46,735.00	2.68	1,252.50	.8978	41,959
1976	1,500.00	2.77	41.55	.8726	1,309
1977	1,015.00	2.81	28.52	.8571	870
1979	14,807.00	2.88	426.44	.8208	12,154
1981	12,462.00	2.95	367.63	.7818	9,743
1982	21,706.00	2.98	646.84	.7599	16,494
1984	24,285.00	3.04	738.26	.7144	17,349
1986	2,778.08	3.10	86.12	.6665	1,852
1987	379,195.74	3.12	11,830.91	.6396	242,534
1988	87,857.59	3.15	2,767.51	.6143	53,971
1989	3,500.00	3.17	110.95	.5865	2,053
1990	45,253.00	3.19	1,443.57	.5583	25,265
1991	1,424,433.43	3.21	45,724.31	.5297	754,522
1992	300,985.15	3.23	9,721.82	.5007	150,703
1993	130,705.55	3.24	4,234.86	.4698	61,405
1994	58,849.20	3.25	1,912.60	.4388	25,823
1995	33,602.05	3.26	1,095.43	.4075	13,693
1996	25,776.27	3.27	842.88	.3761	9,694
1997	63,800.94	3.28	2,092.67	.3444	21,973
1998	83,574.87	3.29	2,749.61	.3126	26,126
1999	9,019.44	3.30	297.64	.2805	2,530
2000	50,931.86	3.30	1,680.75	.2475	12,606
2001	47,503.75	3.31	1,572.37	.2152	10,223
2002	25,441.90	3.31	842.13	.1821	4,633
2003	46,885.37	3.31	1,551.91	.1490	6,986
2004	48,669.62	3.32	1,615.83	.1162	5,655
2005	3,289.66	3.32	109.22	.0830	273
2006	85,096.23	3.32	2,825.19	.0498	4,238
2007	28,675.59	3.33	954.90	.0167	479
			101,543.02		1,606,904
NET SALVAGE ADJUSTMENT			5,077.15-		80,345-
TOTAL	3,184,452.77		96,465.87		1,526,559

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 3.03

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 483.00 OFFICE FURNITURE & EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	LIFE (3)	--ANNUAL RATE (4)	ACCRUAL-- AMOUNT (5)	-ACCRUED FACTOR (6)	DEPREC.- AMOUNT (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1986	1,777.30				1.0000	1,777
1987	4,598.14				1.0000	4,598
1988	5,282.14				1.0000	5,282
1989	15,275.96				1.0000	15,276
1990	12,440.50				1.0000	12,441
1991	23,422.99				1.0000	23,423
1992	9,065.80				1.0000	9,066
1993	2,395.66	15.00	6.67	159.79	.9667	2,316
1995	1,136.80	15.00	6.67	75.82	.8333	947
1996	17,120.22	15.00	6.67	1,141.92	.7667	13,126
1997	8,785.22	15.00	6.67	585.97	.7000	6,150
1998	21,609.58	15.00	6.67	1,441.36	.6333	13,685
1999	14,169.67	15.00	6.67	945.12	.5667	8,030
2000	2,749.22	15.00	6.67	183.37	.5000	1,375
2001	7,886.69	15.00	6.67	526.04	.4333	3,417
2002	2,875.25	15.00	6.67	191.78	.3667	1,054
2003	836.28	15.00	6.67	55.78	.3000	251
2004	41,363.55	15.00	6.67	2,758.95	.2333	9,650
2005	10,922.40	15.00	6.67	728.52	.1667	1,821
2006	5,995.34	15.00	6.67	399.89	.1000	600
2007	10,018.97	15.00	6.67	668.27	.0333	334
TOTAL	219,727.68			9,862.58		134,619

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 4.49

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 483.20 COMPUTER EQUIPMENT AND ACC.

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	LIFE (3)	--ANNUAL RATE (4)	ACCRUAL-- AMOUNT (5)	-ACCRUED FACTOR (6)	DEPREC.- AMOUNT (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	29,292.68	5.00	20.00	5,858.54	.7000	20,505
2005	5,030.86	5.00	20.00	1,006.17	.5000	2,515
2006	2,796.00	5.00	20.00	559.20	.3000	839
2007	299.99	5.00	20.00	60.00	.1000	30
TOTAL	37,419.53			7,483.91		23,889

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 20.00

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 484.00 TRANSPORTATION & MOBILE EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC. - AMOUNT (6)
SURVIVOR CURVE.. IOWA 10-R0.5					
NET SALVAGE PERCENT.. +20					
1984	474.75			1.0000	475
1986	3,385.00			1.0000	3,385
1988	4,868.01	5.13	249.73	1.0000	4,868
1989	34,390.39	5.23	1,798.62	.9676	33,276
1990	58.50	5.39	3.15	.9433	55
1991	12,221.00	5.57	680.71	.9191	11,232
1992	37,278.08	5.77	2,150.95	.8944	33,342
1993	32,789.25	5.99	1,964.08	.8686	28,481
1994	179,817.05	6.23	11,202.60	.8411	151,244
1995	67,218.98	6.49	4,362.51	.8113	54,535
1996	173,521.43	6.78	11,764.75	.7797	135,295
1997	97,616.55	7.08	6,911.25	.7434	72,568
1998	22,885.25	7.42	1,698.09	.7049	16,132
1999	127,269.10	7.78	9,901.54	.6613	84,163
2000	8,679.83	8.19	710.88	.6143	5,332
2001	339,202.11	8.64	29,307.06	.5616	190,496
2002	197,109.81	9.17	18,074.97	.5044	99,422
2003	8,923.42	9.82	876.28	.4419	3,943
2004	29,831.65	10.63	3,171.10	.3721	11,100
2005	166,758.22	11.76	19,610.77	.2940	49,027
2006	151,087.56	13.58	20,517.69	.2037	30,777
2007	511,814.19	18.35	93,917.90	.0918	46,985
			238,874.63		1,066,133
NET SALVAGE ADJUSTMENT			47,774.93-		213,227-
TOTAL	2,207,200.13		191,099.70		852,906

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 8.66

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 485.00 TOOLS & INSTRUMENTS

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	LIFE (3)	--ANNUAL RATE (4)	ACCRUAL-- AMOUNT (5)	-ACCRUED FACTOR (6)	DEPREC.- AMOUNT (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	8,457.89				1.0000	8,458
1992	1,624.09				1.0000	1,624
1993	5,802.63	15.00	6.67	387.04	.9667	5,609
1994	7,333.45	15.00	6.67	489.14	.9000	6,600
1995	3,739.89	15.00	6.67	249.45	.8333	3,116
1996	11,758.89	15.00	6.67	784.32	.7667	9,016
1997	16,926.03	15.00	6.67	1,128.97	.7000	11,848
1998	20,630.65	15.00	6.67	1,376.06	.6333	13,065
1999	88,048.66	15.00	6.67	5,872.85	.5667	49,897
2000	10,176.08	15.00	6.67	678.74	.5000	5,088
2001	8,885.11	15.00	6.67	592.64	.4333	3,850
2002	90,184.64	15.00	6.67	6,015.32	.3667	33,071
2003	24,234.56	15.00	6.67	1,616.45	.3000	7,270
2004	41,568.09	15.00	6.67	2,772.59	.2333	9,698
2005	57,236.72	15.00	6.67	3,817.69	.1667	9,541
2006	55,899.76	15.00	6.67	3,728.51	.1000	5,590
2007	48,284.13	15.00	6.67	3,220.55	.0333	1,608
TOTAL	500,791.27			32,730.32		184,949

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 6.54

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 486.00 COMMUNICATION EQUIPMENT

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	LIFE (3)	--ANNUAL RATE (4)	ACCRUAL-- AMOUNT (5)	-ACCRUED FACTOR (6)	DEPREC.- AMOUNT (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1981	12,328.84				1.0000	12,329
1982	997.00				1.0000	997
1983	2,693.00				1.0000	2,693
1985	7,145.00				1.0000	7,145
1986	5,470.00				1.0000	5,470
1987	654.46				1.0000	654
1988	3,067.50				1.0000	3,068
1989	6,505.50				1.0000	6,506
1990	12,083.42				1.0000	12,083
1991	5,466.50				1.0000	5,467
1992	8,287.00				1.0000	8,287
1993	4,525.80	15.00	6.67	301.87	.9667	4,375
1994	37,148.37	15.00	6.67	2,477.80	.9000	33,434
1995	8,886.16	15.00	6.67	592.71	.8333	7,405
1996	12,061.22	15.00	6.67	804.48	.7667	9,247
1997	32,424.05	15.00	6.67	2,162.68	.7000	22,697
1998	4,662.16	15.00	6.67	310.97	.6333	2,953
1999	179,948.08	15.00	6.67	12,002.54	.5667	101,977
2000	19,678.50	15.00	6.67	1,312.56	.5000	9,839
2001	11,510.86	15.00	6.67	767.77	.4333	4,988
2002	5,582.26	15.00	6.67	372.34	.3667	2,047
2003	649.95	15.00	6.67	43.35	.3000	195
2004	1,628.00	15.00	6.67	108.59	.2333	380
2005	9,903.90	15.00	6.67	660.59	.1667	1,651
2006	41,356.93	15.00	6.67	2,758.51	.1000	4,136
2007	56,671.53	15.00	6.67	3,779.99	.0333	1,887
TOTAL	491,335.99			28,456.75		271,910

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 5.79

YUKON ELECTRICAL COMPANY LIMITED

ACCOUNT 488.20 HOUSES

CALCULATED ANNUAL AND ACCRUED DEPRECIATION
SURVIVING AT DECEMBER 31, 2007

YEAR (1)	ORIGINAL COST (2)	--ANNUAL RATE (3)	ACCRUAL-- AMOUNT (4)	-ACCRUED FACTOR (5)	DEPREC.- AMOUNT (6)
SURVIVOR CURVE.. IOWA 40-R3					
NET SALVAGE PERCENT.. +10					
1981	5,448.00	2.42	131.84	.6413	3,494
1983	3,328.00	2.47	82.20	.6052	2,014
1986	12,922.45	2.53	326.94	.5440	7,030
1988	27,878.53	2.57	716.48	.5012	13,973
1989	2,150.47	2.58	55.48	.4773	1,026
1994	131,354.79	2.67	3,507.17	.3605	47,353
1995	1,870.05	2.69	50.30	.3363	629
1996	12,740.02	2.71	345.25	.3117	3,971
1997	9,320.80	2.72	253.53	.2856	2,662
1999	46,813.85	2.76	1,292.06	.2346	10,983
2000	8,693.67	2.77	240.81	.2078	1,807
2003	3,969.00	2.82	111.93	.1269	504
2005	21,131.34	2.86	604.36	.0715	1,511
2006	49,131.17	2.89	1,419.89	.0434	2,132
2007	51,201.54	2.95	1,510.45	.0148	758
			10,648.69		99,847
NET SALVAGE ADJUSTMENT			1,064.87-		9,985-
TOTAL	387,953.68		9,583.82		89,862

COMPOSITE ANNUAL ACCRUAL RATE, PERCENT.. 2.47



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

Section 8 - Return on Rate Base

Overview

The return on rate base included in the application is outlined in Schedule 8.1 and is:

	2006 Actual	2007 Actual	Test Period	
			2008	2009
	(\$000)			
Return on Rate Base	<u>3,484</u>	<u>3,614</u>	<u>3,618</u>	<u>4,026</u>

The increase in the return on rate base between 2006 and 2007 is primarily due to increases in rate base due to capital additions. The increases from 2007 to 2009 are primarily due to increases in rate base due to capital additions detailed in Section 9 as well as increased equity thickness outlined in Schedule 8. The increases in 2008 are offset by a lower return.

The components of the return on rate base are as follows and are discussed below:

- Cost of Capital
 - Cost of Capital Evidence
 - Attachment I – Capital Structure and Cost of Capital Prepared Testimony
 - No Cost Capital
- Rate Base
 - Capital Additions
 - Contributions
 - Deferred Charges & Credits
 - Working Capital
 - Overview
 - Attachment 3 - Lead/Lag Study



THE YUKON ELECTRICAL COMPANY LIMITED

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1 **Cost of Capital**

2 Capital Structure and Cost of Capital Evidence

3 Yukon Electrical has engaged Foster Associates, Inc. to provide expert testimony on a
4 fair return comprised of both an appropriate capital structure and a return on equity for
5 the test period 2008-2009. This testimony is included in Attachment 1 of this section
6 and supports Yukon Electrical's incorporation of a 9.25% rate of return on common
7 equity of 47.5%. Yukon Electrical has targeted 47.5% equity structure by the end of
8 2008.

9 Cost of Debt

10 The cost of debt includes the weighted average cost of all long term advances from
11 Yukon Electrical's parent company. The cost of issuing the debt is included in the
12 overall embedded costs. Yukon Electrical's forecast embedded cost of debt of 6.60%
13 for the test period is based on Foster and Associates, Inc.'s 4.55% Long Canada Bond
14 yield forecast, a 200 basis point spread and 5 basis points for issue costs.

15 No Cost Capital

16 The no cost capital included in this application relates to the balances for deferred
17 pensions including other post employment benefit plans [OPEB] as well as the reserve
18 for injuries and damages. Other post employment benefits are administered on a
19 combined basis with Canadian Utilities Limited, and affiliate corporations and cover
20 such things as drug, health and dental costs for retirees. For these benefits, Yukon
21 Electrical is assessed a percentage of its payroll at a rate calculated for the plan as a
22 whole. Both the pension plan and OPEB have been accounted for on the cash basis in
23 the test period. Prior to 2008 only the pension plan was on the cash basis.



THE YUKON ELECTRICAL COMPANY LIMITED

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- 1 For the reserve for injuries and damages there were the following charges to the
2 reserve:

	(\$000)
2007	
Watson Lake Unit 4	\$22
Pelly Unit 3	\$51
	<u>\$73</u>
2006	
Watson Lake Unit 5	\$26
Watson Lake Unit 1-6	\$25
	<u>\$51</u>

- 3 The changes in the test period are a forecast based on the average of the 2006 and
4 2007 claims.

- 5 The continuity schedule for no cost capital is outlined in Schedule 8.4 and the balances
6 are:

	2006 Actual	2007 Actual	Test Period 2008	2009
			(\$000)	
No Cost Capital	<u>549</u>	<u>632</u>	<u>669</u>	<u>695</u>

7 **Rate Base**

8 Capital Additions

- 9 Total capital additions included in Schedule 8.6 and outlined in detail in Section 9 are:

	2006 Actual	2007 Actual	Test Period 2008	2009
			(\$000)	
Capital Additions	<u>6,872</u>	<u>7,645</u>	<u>9,975</u>	<u>13,544</u>
Expenditures	<u>7,316</u>	<u>7,809</u>	<u>9,560</u>	<u>13,504</u>



THE YUKON ELECTRICAL COMPANY LIMITED

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These additions are primarily driven by a requirement to upgrade, enhance and replace components on the distribution and generation systems that have reached the end of their life cycle, a new customer care and billing system in 2008 and Automated Meter Reading (AMR) for 2009.

Please refer to Section 9 for further discussion of capital expenditures.

Contributions

Contributions in aid of construction are received from customers in accordance with the company's investment policy. The contributions outlined in Schedule 8.11 are:

	2006 Actual	2007 Actual	Test Period 2008 2009	
			(\$000)	
Contributions in Aid of Construction (per year)	<u>2.189</u>	<u>2.571</u>	<u>2.560</u>	<u>2.506</u>

Yukon Electrical's forecast process involves a review of projects included in the capital additions outlined in Section 9 to identify those which will require a customer contribution.

Deferred Charges and Credits

The mid year deferred charges and credit amounts included in rate base are outlined in Schedule 8.8 and are as follows:

	2006 Actual	2007 Actual	Test Period 2008 2009	
			(\$000)	
Mid Year Balance	<u>--</u>	<u>309</u>	<u>757</u>	<u>570</u>



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

1 The deferred charges and credit amount includes the following:

2 (a) Rate Case Reserve

3 Yukon Electrical is using a deferral account to flow through to customers the
4 costs associated with filing its GRA's. The annual rate case write-off of \$375,000
5 during the test period is based on a forecast 2008-2009 GRA rate case expense
6 of \$750,000 as well as bringing the overall deferred rate case balance to zero by
7 the end of the test period. The forecast 2008-2009 GRA rate case expense of
8 \$750,000 is for both the Phase I and Phase II applications and is based on the
9 additional costs for an outside consultant, Foster Associates, Inc. to prepare and
10 defend the cost of capital expert testimony as well as Gannett Fleming to prepare
11 and defend the depreciation study.

12 (b) Diesel Plant Major Overhaul Reserve

13 Yukon Electrical is using a reserve account to flow through to customers the
14 costs associated with major cyclical diesel plant overhauls and rebuilds. Per
15 Schedule 8.8, a major overhaul was required on the diesel unit at Watson Lake
16 Unit 4 at a cost of \$538,000 in 2007 and a forecast of \$60,000 in 2008. These
17 costs are written off over a five year period commencing from the time of the
18 overhaul. This treatment is consistent with deferred overhauls treatment
19 approved in the 1996/1997 proceeding.

20 **Working Capital**

21 Overview

22 Working capital is a component of the company's total rate base as generally the
23 payment of expense occurs in advance of the receipt of revenues.



THE YUKON ELECTRICAL COMPANY LIMITED

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To determine the working capital for the 2008-2009 test period, a study (refer to Attachment 2) was undertaken to calculate the revenue lead lag days for the working capital.

The components of working capital are:

- Purchased Power
- Operations and Maintenance
- Income Tax
- Goods and Services Tax
- Depreciation Expense
- Interest Expense
- Common Equity (retained earnings component)
- Common Equity (dividend component)

The final component of working capital is material and supplies inventory where the working capital component is based on the estimated inventory balance.

The working capital included in rate base in this filing is outlined on Schedule 8.5 with the details on the components incorporating working capital disclosed on Schedule 8.9 and is as follows:

	2006 Actual	2007 Actual	Test Period 2008 2009	
			(\$000)	
Working Capital	<u>3.683</u>	<u>4.078</u>	<u>2.805</u>	<u>2.650</u>

The increase from 2006 to 2007 is mainly due to increased working capital associated with increased inventory.



THE YUKON ELECTRICAL COMPANY LIMITED

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- 1 The decrease in working capital in the test period is a result of the review of the revenue
- 2 and expense lags that have been compiled in this filing. This review resulted in the net
- 3 O&M lag days dropping from 19 days in 2006 and 2007 to only 5 days in the test period.

**Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Return on Rate Base
(\$000s)**

Schedule 8.1

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
1	<u>2006 Actuals</u>						
2	Long-term debt	S.8.2 L.18	22,475	57.18%	23,424	7.14%	1,673
3	Common stock		16,280	41.42%	16,967	10.67%	1,811
4	No Cost Capital	S.8.4 L.8	549	1.40%	572	0.00%	-
5	Total	S.8.5 L.21 S.1.1 L.15	39,304	100%	40,963	8.51%	3,484
6	<u>2007 Actual</u>						
7	Long-term debt	S.8.2 L.36	23,800	57.60%	25,117	7.03%	1,766
8	Common stock		16,890	40.87%	17,825	10.37%	1,848
9	No Cost Capital	S.8.4 L.8	632	1.53%	666	0.00%	-
10	Total	S.8.5 L.21 S.1.1 L.15	41,322	100%	43,608	8.29%	3,614
11	<u>2008 Test Period</u>						
12	Long-term debt	S.8.3 L.19	24,575	54.23%	24,838	7.01%	1,741
13	Common stock		20,071	44.29%	20,286	9.25%	1,877
14	No Cost Capital	S.8.4 L.8	669	1.48%	676	0.00%	-
15	Total	S.8.5 L.21 S.1.1 L.15	45,315	100%	45,800	7.90%	3,618
16	<u>2009 Test Period</u>						
17	Long-term debt	S.8.3 L.38	26,950	51.81%	26,498	6.83%	1,810
18	Common stock		24,376	46.86%	23,967	9.25%	2,216
19	No Cost Capital	S.8.4 L.8	695	1.34%	683	0.00%	-
20	Total	S.8.5 L.21 S.1.1 L.15	52,021	100%	51,149	7.87%	4,026

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Schedule of Debt Capital Employed and Embedded Cost
(\$'000's)

Schedule 8.2

Line
No.

1	<u>2006 Actuals</u>					<u>Net Capital Employed</u>					
2						Principal	Per \$100 of		Principal		Average
3						Amount	Principal	Effective	Outstanding	Carrying	Embedded
4	<u>Description</u>	<u>Series</u>	<u>Issue</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Amount</u>	<u>Amount</u>	<u>Cost Rate *</u>	<u>31-Dec-06</u>	<u>Cost</u>	<u>Cost Rate</u>
5		C	11-30-1989	10.28%	2009	2,000	2,000	100.00	10.33%	2,000	207
6		D	11-28-1990	11.85%	2020	1,500	1,500	100.00	11.91%	1,500	179
7		E	05-08-1992	9.46%	2023	2,500	2,500	100.00	9.51%	2,500	238
8		K	08-13-1999	6.80%	2019	4,500	4,500	100.00	6.85%	4,500	308
9		L	06-02-2000	7.00%	2008	600	600	100.00	7.05%	600	42
10		N	11-22-2002	6.16%	2017	3,900	3,900	100.00	6.21%	3,900	242
11		O	01-23-2004	5.42%	2019	1,000	1,000	100.00	5.47%	1,000	55
12		P	11-18-2004	5.11%	2014	500	500	100.00	5.16%	500	26
13		Q	11-21-2005	5.18%	2035	4,300	4,300	100.00	5.23%	4,300	225
14		R	11-20-2006	5.02%	2036	3,000	3,000	100.00	5.07%	3,000	152
15	Total					23,800			23,800	1,673	7.03%
16	Prior Year								21,150	1,538	7.27%
17	Total								44,950	3,211	
18	Mid Year								22,475	1,606	7.14%
19	<u>2007 Actual</u>					<u>Net Capital Employed</u>					
20						Principal	Per \$100 of		Principal		Average
21						Amount	Principal	Effective	Outstanding	Carrying	Embedded
22	<u>Description</u>	<u>Series</u>	<u>Issue</u>	<u>Rate</u>	<u>Date</u>	<u>Offered</u>	<u>Amount</u>	<u>Cost Rate *</u>	<u>31-Dec-07</u>	<u>Cost</u>	<u>Cost Rate</u>
23		C	11-30-1989	10.28%	2009	2,000	2,000	100.00	10.33%	2,000	207
24		D	11-28-1990	11.85%	2020	1,500	1,500	100.00	11.91%	1,500	179
25		E	05-08-1992	9.46%	2023	2,500	2,500	100.00	9.51%	2,500	238
26		K	08-13-1999	6.80%	2019	4,500	4,500	100.00	6.85%	4,500	308
27		L	06-02-2000	7.00%	2008	600	600	100.00	7.05%	600	42
28		N	11-22-2002	6.16%	2017	3,900	3,900	100.00	6.21%	3,900	242
29		O	01-23-2004	5.42%	2019	1,000	1,000	100.00	5.47%	1,000	55
30		P	11-18-2004	5.11%	2014	500	500	100.00	5.16%	500	26
31		Q	11-21-2005	5.18%	2035	4,300	4,300	100.00	5.23%	4,300	225
32		R	11-20-2006	5.02%	2036	3,000	3,000	100.00	5.07%	3,000	152
33	Total					23,800			23,800	1,673	7.03%
34	Prior Year								23,800	1,673	7.03%
35	Total								47,600	3,346	
36	Mid Year								23,800	1,673	7.03%

Yukon Electrical Limited
2008 - 2009 General Rate Application
Schedule of Debt Capital Employed and Embedded Cost
(\$000's)

Schedule 8.3

Line
No.

<u>2008 Test Period</u>						<u>Net Capital Employed</u>					
					Principal		Per \$100 of		Principal		Average
		Issue	Coupon	Maturity	Amount	Total	Principal	Effective	Outstanding	Carrying	Embedded
	Description	Series	Date	Date	Offered	Amount	Amount	Cost Rate *	31-Dec-08	Cost	Cost Rate
5		C	11-30-1989	2009	2,000	2,000	100.00	10.33%	2,000	207	
6		D	11-28-1990	2020	1,500	1,500	100.00	11.91%	1,500	179	
7		E	05-08-1992	2023	2,500	2,500	100.00	9.51%	2,500	238	
8		K	08-13-1999	2019	4,500	4,500	100.00	6.85%	4,500	308	
9		L	06-02-2000	2008	0	0		7.05%	0	0	
10		N	11-22-2002	2017	3,900	3,900	100.00	6.21%	3,900	242	
11		O	01-23-2004	2019	1,000	1,000	100.00	5.47%	1,000	55	
12		P	11-18-2004	2014	500	500	100.00	5.16%	500	26	
13		Q	11-21-2005	2035	4,300	4,300	100.00	5.23%	4,300	225	
14		R	11-20-2006	2036	3,000	3,000	100.00	5.07%	3,000	152	
15		T	11-20-2008	2038	2,150	2,150	100.00	6.60%	2,150	142	
16	Total					25,350			25,350	1,773	6.99%
17	Prior Year								23,800	1,673	7.03%
18	Total								49,150	3,446	
19	Mid Year								24,575	1,723	7.01%

<u>2009 Test Period</u>						<u>Net Capital Employed</u>					
					Principal		Per \$100 of		Principal		Average
		Issue	Coupon	Maturity	Amount	Total	Principal	Effective	Outstanding	Carrying	Embedded
	Description	Series	Date	Date	Offered	Amount	Amount	Cost Rate *	31-Dec-09	Cost	Cost Rate
24		D	11-28-1990	2020	1,500	1,500	100.00	11.91%	1,500	179	
25		E	05-08-1992	2023	2,500	2,500	100.00	9.51%	2,500	238	
26		K	08-13-1999	2019	4,500	4,500	100.00	6.85%	4,500	308	
27		L	06-02-2000	2008	0	0		7.05%	0	0	
28		N	11-22-2002	2017	3,900	3,900	100.00	6.21%	3,900	242	
29		O	01-23-2004	2019	1,000	1,000	100.00	5.47%	1,000	55	
30		P	11-18-2004	2014	500	500	100.00	5.16%	500	26	
31		Q	11-21-2005	2035	4,300	4,300	100.00	5.23%	4,300	225	
32		R	11-20-2006	2036	3,000	3,000	100.00	5.07%	3,000	152	
33		T	11-20-2008	2038	2,150	2,150	100.00	6.60%	2,150	142	
34		U	11-20-2009	2039	5,200	5,200	100.00	6.60%	5,200	343	
35	Total					28,550			28,550	1,909	6.69%
36	Prior Year								25,350	1,773	6.99%
37	Total								53,900	3,682	
38	Mid Year								26,950	1,841	6.83%

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Continuity Schedule of No Cost Capital
(\$000s)

Schedule 8.4

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	No Cost Capital					
2	Deferred Pension and Regulatory Asset/Liability					
3						
4	<u>Mid-Year Balance Summary</u>					
5	Defined Benefit Pension	L.16	443	514	537	537
6	Other Post Employment Benefits (OPEB)	L.23	172	171	171	171
7	Injuries & Damages	L.30	(66)	(53)	(39)	(13)
8	Total No Cost Capital Mid-Year Balance	S.8.1 L.4,9,14,19	<u>549</u>	<u>632</u>	<u>669</u>	<u>695</u>
9						
10						
11	Other Post Employment Benefits (OPEB)					
12	Balance at beginning of year		395	490	537	537
13	Add: Charges		123	103	60	60
14	Less: Cash Payments		(28)	(56)	(60)	(60)
15	Balance at end of year		<u>490</u>	<u>537</u>	<u>537</u>	<u>537</u>
16	Mid-Year balance	(L.12+L.15) / 2	<u>443</u>	<u>514</u>	<u>537</u>	<u>537</u>
17						
18	Defined Benefit Pension					
19	Balance at beginning of year		173	171	171	171
20	Add: Charges		9	520	579	629
21	Less: Cash Payments		(11)	(520)	(579)	(629)
22	Balance at end of year		<u>171</u>	<u>171</u>	<u>171</u>	<u>171</u>
23	Mid-Year balance	(L.19+L.22) / 2	<u>172</u>	<u>171</u>	<u>171</u>	<u>171</u>
24						
25	Injuries & Damages					
26	Balance at beginning of year		(78)	(54)	(52)	(26)
27	Add: Write-off	S.10.1 L.8	75	75	86	86
28	Less: Costs	S.10.1 L.17	(51)	(73)	(60)	(60)
29	Balance at end of year		<u>(54)</u>	<u>(52)</u>	<u>(26)</u>	<u>0</u>
30	Mid-Year balance	(L.26+L.29) / 2	<u>(66)</u>	<u>(53)</u>	<u>(39)</u>	<u>(13)</u>
31						

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Computation of Rate Base
(\$000s)

Schedule 8.5

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Property, Plant and Equipment					
2	Year end balance	S.8.6 L.8	110,103	117,486	126,696	139,035
3	Deduct:					
4	Accumulated depreciation	S.8.6 L.14	49,959	53,768	57,693	61,314
5	Construction-in-progress	S.9.1 L.26	871	1,035	620	580
6	Total deductions		<u>50,830</u>	<u>54,803</u>	<u>58,313</u>	<u>61,894</u>
7	Net plant in Service					
8	Current year-end balance		59,273	62,683	68,382	77,140
9	Previous year-end balance		<u>56,140</u>	<u>59,273</u>	<u>62,683</u>	<u>68,382</u>
10	Total		115,413	121,956	131,066	145,522
11	Mid-year balance		57,707	60,978	65,533	72,761
12	Mid-year rate deferred charges/credits	S.8.8 L.13	0	309	757	570
13	Working capital	S.8.9 L.29	<u>3,683</u>	<u>4,078</u>	<u>2,805</u>	<u>2,650</u>
14	Gross Rate Base		61,390	65,365	69,095	75,981
15	Deduct:					
16	Contributions for extensions					
17	Current year-end balance	S.8.11 L.11	21,017	22,496	24,093	25,571
18	Previous year-end balance		<u>19,837</u>	<u>21,017</u>	<u>22,496</u>	<u>24,093</u>
19	Total		40,854	43,513	46,589	49,664
20	Mid-year balance		<u>20,427</u>	<u>21,757</u>	<u>23,295</u>	<u>24,832</u>
21	Net Rate Base	S.8.1 L.5,10,15,20	<u>40,963</u>	<u>43,608</u>	<u>45,800</u>	<u>51,149</u>

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Continuity Schedule of Property, Plant and Equipment
(\$000)

Schedule 8.6

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Property, Plant and Equipment					
2	Balance at beginning of year		102,602	109,232	116,451	126,076
3	Additions	S.9.1 L.25	6,872	7,645	9,975	13,544
4	Retirement and disposals	S.8.7 L.20	(242)	(426)	(351)	(1,165)
5		S.7.2, 7.3 L.50	6,630	7,219	9,624	12,379
6	Balance at end of year	S.7.2, 7.3 L.52	109,232	116,451	126,076	138,455
7	Construction-in-progress	S.9.1 L.26	871	1,035	620	580
8	Total Property, Plant and Equipment	S.8.5 L.2	110,103	117,486	126,696	139,035
9	Accumulated Depreciation					
10	Balance at beginning of year		46,441	49,959	53,768	57,693
11	Depreciation expense	S.7.1 L.4	3,901	4,171	4,365	4,837
12	Depreciation capitalized		21	24	24	24
13	Retirements and dismantling		(404)	(386)	(464)	(1,240)
14	Balance at end of year	S.8.5 L.4	49,959	53,768	57,693	61,314
15	Net Property, Plant and Equipment		60,144	63,718	69,002	77,720

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Continuity Schedule of Capital Retirements by Function
(\$000)

Schedule 8.7

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Generation					
2	Other retirements less than \$20,000		-	(3)	(14)	(14)
3	Total Generation Retirements		-	(3)	(14)	(14)
4						
5						
6	Distribution					
7	Poles, Towers & Fixtures		(66)	(11)	(68)	(68)
8	Line transformers		(18)	(3)	(18)	(18)
9	Meters		(49)	(15)	(82)	(896)
10	Other retirements less than \$20,000		(7)	(4)	(8)	(8)
11	Total Distribution Retirements		(140)	(33)	(176)	(990)
12						
13	General Plant					
14	Office Furniture & Equipment		(42)	(39)	(44)	(44)
15	Vehicles		-	(289)	(57)	(57)
16	Tool & Work Equipment		(59)	(61)	(59)	(59)
17	Other retirements less than \$20,000		(1)	(2)	(1)	(1)
18	Total General Plant Retirements		(102)	(390)	(161)	(161)
19						
20	Total Capital Retirements	S.8.6 L.4	(242)	(426)	(351)	(1,165)

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Continuity Schedule of Deferred Charges & Credits
(\$000s)

Schedule 8.8

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Total Deferred Charges & Credits Summary					
2						
3	<u>Write-off Summary</u>					
4	Rate Case Costs		-	-	(375)	(375)
5	Diesel Plant Major Overhaul Costs		-	(108)	(123)	(123)
6	Fish Lake License Renewal Costs		-	(79)	(154)	(154)
7	Total Write-off	S.1.1 L.14	-	(187)	(652)	(652)
8						
9	<u>Deferred Credits Mid-Year Balance Summary</u>					
10	Rate Case Reserve		-	15	203	188
11	Diesel Plant Major Overhaul Costs		-	215	399	306
12	Fish Lake Licence Reserve		-	79	156	77
13	Total Deferred Credits Mid-Year Balance	S.8.5 L.12	-	309	757	570
14						
15	<u>Rate Case Costs</u>					
16	Balance at beginning of year		-	-	30	375
17	Add: Rate Case Costs		-	30	720	-
18	Less: Rate Case Write-off		-	-	(375)	(375)
19	Balance at end of year		-	30	375	-
20						
21	Mid-Year balance	(L.16+L.19)/2	-	15	203	188
22						
23	<u>Diesel Plant Major Overhaul Costs</u>					
24	Balance at beginning of year		-	-	430	367
25	Add: Watson Lake plant overhaul costs		-	538	60	-
26	Less: Watson Lake plant overhaul Write-off		-	(108)	(123)	(123)
27	Balance at end of year		-	430	367	244
28						
29	Mid-Year balance	(L.24+L.27)/2	-	215	399	306
30						
31						
32	<u>Fish Lake License Renewal Costs</u>					
33	Balance at beginning of year		-	-	158	154
34	Add: Fish Lake Costs		-	237	150	-
35	Less: Fish Lake Write-off		-	(79)	(154)	(154)
36	Balance at end of year		-	158	154	-
37						
38	Mid-Year balance	(L.33+L.36)/2	-	79	156	77
39						

Yukon Electrical Company Limited
2008 - 2010 General Rate Application
Computation of Allowance for Working Capital
(\$000s)

Schedule 8.9

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Operating and maintenance	S.1.1 L.9	6,969	7,290	8,758	9,317
2	Purchased Power	S.1.1 L.7	23,239	23,647	23,846	23,494
3	Diesel Fuel	S.1.1 L.8	2,026	2,054	5,715	5,299
5	Property Taxes	S.1.1 L.11	230	235	249	261
6	Net O&M		32,464	33,226	38,567	38,371
7	O&M Lag Days		19	19	5	5
8	Operating Expenses Working Capital		1,690	1,730	573	570
9	Tax installments		1,045	1,140	422	500
10	Income Tax Installment Lag Days		25	25	22	22
11	Tax Installments Working Capital		72	78	25	30
12	Income taxes receivable (payable)		11	285	0	(544)
13	Tax Receivable Lag Days		206	206	204	204
14	Taxes Payable Working Capital		6	161	0	(304)
15	Inventory (Three year average)		1,516	1,702	1,858	1,942
16	GST Impact on working capital	S.8.10 L.38	146	141	108	117
17	Return - Long Term Debt		1,673	1,766	1,741	1,810
18	Combined Long Term Debt Lag Days		(46)	(46)	(52)	(52)
19	Long Term Debt Working Capital		(212)	(224)	(248)	(258)
20	Return - 50% of Common Equity		906	924	939	1,108
21	Dividend Lag Days		(1)	(1)	(4)	(4)
22	Common Equity (Dividend) Working Capital		(2)	(3)	(10)	(12)
23	Return - 50% of Common Equity		906	924	939	1,108
24	Depreciation Lag Days		45	45	42	42
25	Common Equity (Retained Earnings) Working Capital		112	114	108	127
26	Net Depreciation		2,893	3,079	3,402	3,809
27	Depreciation Lag Days		45	45	42	42
28	Depreciation Working Capital		357	380	391	438
29	Working capital	S.8.5 L.13	3,683	4,078	2,805	2,650

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Effect of GST on Working Capital
(\$000s)

Schedule 8.10

Line No.	Description	Cross Ref.	Actual 2006	Forecast 2007	Test Period 2008	Test Period 2009
1	REVENUE:					
2	Total Operating Revenue Subject to GST	S.2.1 L.45	34,233	35,160	45,850	47,075
3	GST Rate		6.50%	6.00%	5.00%	5.00%
4	GST Billable	(a)	2,225	2,110	2,293	2,354
5						
6	Day Factor - Revenues		45.0	45.0	41.9	41.9
7	Day Factor - Remittance Lag		56.6	56.6	56.6	56.6
8		(b)	(11.6)	(11.6)	(14.7)	(14.7)
9						
10	GST Impact on Working Capital Increase/(Decrease)	(a)*(b)/365	(71)	(67)	(93)	(95)
11						
12	EXPENSES:					
13	Total Utility Expenses		39,875	40,961	46,660	47,902
14	Taxes other than Income		(230)	(235)	(249)	(261)
15	Labour and Fringe		(3,296)	(3,826)	(4,629)	(5,072)
16	Depreciation		(3,901)	(4,171)	(4,365)	(4,837)
17	Amortization of contributions		1,008	1,092	963	1,028
18	Income Tax		(1,034)	(855)	(421)	(1,044)
19	Fish Lake Costs		-	237	150	-
20	Fish Lake Amortization		-	(79)	(154)	(154)
21	Plant Maintenance Reserve Costs		-	538	60	-
22	Plant Maintenance Reserve Amortization		-	(108)	(123)	(123)
23	Injuries & Damages Costs		(51)	(73)	(60)	(60)
24	Injuries & Damages Write-off		75	75	86	86
25	Rate Case Costs		-	30	720	-
26	Rate Case Write-off		-	-	(375)	(375)
27	Capital Expenditures		7,316	7,809	9,560	13,504
28	Net Costs Subject to GST		39,762	41,396	47,824	50,595
29	GST Rate		6.50%	6.00%	5.00%	5.00%
30	GST Refundable	(c)	2,585	2,484	2,391	2,530
31						
32	Day Factor - Expense (Including Capital)		26.0	26.0	26.0	26.0
33	Day Factor - Remittance Lag		56.6	56.6	56.6	56.6
34		(d)	30.6	30.6	30.6	30.6
35						
36	GST Impact on Working Capital Increase/(Decrease)	(c)*(d)/365	217	208	200	212
37						
38	Net Impact of GST on Working Capital	S.8.9 L.16	146	141	108	117

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Continuity Schedule of Contributions in Aid of Construction
(\$000)

Schedule 8.11

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Contributions in Aid of Construction					
2	Prior Year Gross Contributions		31,445	33,634	36,205	38,765
3	Additions to property		2,189	2,571	2,560	2,506
4	Retirements		-	-	-	-
5	Current Year Gross Contributions		33,634	36,205	38,765	41,271
6	Accumulated Amortization					
7	Prior Year Accumulated Amortization		11,609	12,617	13,709	14,672
8	Gross Amortization	S.1 L.13	1,008	1,092	963	1,028
9	Retirements		-	-	-	-
10	Current Year Accumulated Amortization		12,617	13,709	14,672	15,700
11	Net Contributions in Aid of Construction	S.8.5 L.17	21,017	22,496	24,093	25,571

Yukon Electrical Company Limited

Prepared Testimony

of

KATHLEEN C. McSHANE



FOSTER ASSOCIATES, INC.
Bethesda, MD. 20814
April 2008

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I. INTRODUCTION AND SUMMARY OF CONCLUSIONS

My name is Kathleen C. McShane and my business address is 4550 Montgomery Avenue, Suite 350N, Bethesda, Maryland 20814. I am President of, and a senior consultant with, Foster Associates, Inc., an economic consulting firm. I hold a Masters in Business Administration with a concentration in Finance from the University of Florida (1980) and the Chartered Financial Analyst designation (1989).

I have testified on issues related to cost of capital and various ratemaking issues on behalf of electric utilities, local gas distribution utilities, oil and gas pipelines, and telephone companies in more than 190 proceedings in Canada and the U.S. My professional experience is provided in Appendix A.

Yukon Electrical Company Limited (“Yukon Electrical”) has requested an expert opinion on fair return, comprised of both an appropriate capital structure and a return on equity (ROE) for the Company’s 2008 and 2009 test years, using, for the express purpose of these two test years, the benchmark return on equity established by the Alberta Energy and Utilities Board (EUB)¹ as a point of departure.

In that context, I have estimated the capital structure that would fully reflect the business risks of Yukon Electrical. Based on my analysis, the common equity ratio that would fully compensate for the business risks of Yukon Electrical lies at the upper end of a range of 47.5% to 52.5%.

At a common equity ratio of 52.5%, the allowed return on equity for Yukon Electrical should be equal to that applicable to an average risk Canadian utility, that is, a benchmark return on equity. For the express purpose of this proceeding, I recommend adopting the benchmark return on equity derived in the EUB’s Generic Cost of Capital Decision 2004-052 (July 2, 2004), as adjusted for changes in interest rates. The benchmark return on

¹ Now the Alberta Utilities Commission or “AUC”.

equity adopted by the EUB under its generic cost of capital automatic adjustment mechanism for 2008 was 8.75%, based on a long-term Canada bond yield of 4.55%.

With respect to the benchmark return on equity for test years 2008-2009, I recommend that the Yukon Utilities Board (“the Board”):

1. Adopt a single return on equity for both test years, based on the forecast average long-term Government of Canada bond yield of 4.5%; and,
2. Apply the EUB’s automatic adjustment formula to arrive at a benchmark ROE for 2008-2009.

Since the forecast average long-term Government of Canada bond yield for 2008-2009, at 4.5%, is virtually identical to the forecast relied on by the EUB to determine the allowed ROE for 2008, the application of the automatic adjustment formula produces a benchmark return on equity of approximately 8.75% for 2008-2009. The indicated benchmark return on equity of 8.75% would be applicable to Yukon Electrical at a common equity ratio of 52.5%.

However, the benchmark ROE is viewed as below the level consistent with a fair and reasonable return. Thus, requiring shareholders to commit additional equity to achieve a 52.5% equity ratio to have the opportunity to earn a benchmark equity return regarded as too low is fundamentally incongruous. As a result, I recommend that the actual common equity ratio of Yukon Electrical be raised to 47.5% and to allow an incremental equity risk premium of 0.50% above the benchmark return on equity. The 0.50% incremental equity risk premium compensates for the difference in financial risk between the proposed 47.5% equity ratio and the 52.5% common equity ratio that would fully compensate for the business risks of Yukon Electrical. At a common equity ratio of 47.5%, the allowed ROE for Yukon Electrical should be set at 9.25%.

II. ANALYTICAL FRAMEWORK

A. RELATIONSHIP BETWEEN COST OF CAPITAL AND CAPITAL STRUCTURE

The cost of capital is largely a function of business risk, that is, the risks arising from the operations/assets of a firm. The cost of capital, however, is also a function of financial risk, i.e., additional risk borne by the common equity shareholder because the firm is using fixed obligation securities (e.g., long-term debt) to finance a portion of its assets. Therefore, the capital structure, comprised of fixed obligation securities and common equity, can be viewed as a summary measure of the financial risk of the firm.

The use of debt creates a class of investors whose claims on the resources of the firm take precedence over those of the equity holder. Since the issuance of debt carries fixed costs which must be paid before the equity shareholder receives any return, the addition of debt to the capital structure increases the potential variability of the equity shareholder's return. Thus, as the debt ratio rises, the cost of equity rises. In the absence of the deductibility of interest expense for tax purposes and costs associated with the use of excessive debt, the increase in the cost of equity offsets the increase in the debt ratio, so the overall cost of capital to a firm would not change materially if the firm were to change its capital structure.

The existence of corporate income taxes and the deductibility of interest for income tax purposes, in conjunction with the costs associated with potential bankruptcy or loss of financial flexibility, alter the conclusion that the cost of capital is constant across all capital structures. The deductibility of interest expense for income tax purposes means that there is a cash flow advantage to equity holders from the assumption of debt. When interest expense is deductible for income tax purposes, the after-tax cost of capital is reduced when debt is used.

90 However, as the proportion of debt in the capital structure increases, the cost of capital
91 tends to increase due to the loss of financial flexibility and increased potential for
92 bankruptcy, partially offsetting the tax advantage. In addition, although interest expense
93 is tax deductible at the corporate level, it is taxable to investors at a higher rate than
94 equity, offsetting some of the net after-tax advantage of increasing the debt component of
95 the capital structure. Further, in the specific case of regulated companies, the benefits
96 from the tax deductibility of interest flow through to customers.

97
98 While it is impossible to state with precision whether, within a reasonable range of
99 capital structures, raising the debt ratio decreases the overall cost of capital or leaves it
100 unchanged, in either case the costs of the components of the capital structure do change.
101 An increase in financial risk will accompany an increase in the cost of equity.

102 103 **B. APPROACHES TO DETERMINING THE FAIR RETURN**

104
105 Recognizing the relationship between the cost of capital and capital structure, there are
106 effectively two approaches that can be used to determine the fair return. The first is to
107 assess the specific regulated company's business risks then establish a capital structure
108 that is compatible with its business risks and permits the application of the cost of equity
109 determined by reference to proxies to the specific regulated company without any
110 adjustment to the proxy companies' cost of equity.

111
112 The second approach entails acceptance of the specific regulated company's actual
113 capital structure for regulatory purposes, or deeming a capital structure that adequately
114 protects bondholders but does not necessarily equate the total (business and financial)
115 risk of the regulated company to those of the proxies or benchmark. The actual or
116 deemed capital structure then becomes the key measure of the utility's financial risks.
117 The utility's level of total risk (business plus financial) is compared to that faced by the
118 proxy companies used to estimate the equity return requirement. If the total risk of the
119 proxy companies is higher or lower than that of the specific regulated company utility, an

adjustment to the proxies' cost of equity would be required when setting the specific regulated company's allowed return on equity.

The National Energy Board (NEB) employed the first approach when it established its automatic adjustment mechanism for a number of oil and gas pipelines in 1995. The individual pipelines were deemed capital structure ratios that were intended to compensate for their different levels of business risks, so that a single benchmark return on equity could be applied across all of the pipelines.² It is also the approach that was adopted by the EUB in its Generic Cost of Capital Decision. In that decision, the EUB set different capital structures for eleven electric and gas distribution and transmission entities, based on their different business risk profiles, and then established a common return on equity to be applied to each of the utilities under its jurisdiction.

This second approach, that is varying both capital structures and risk premiums, is equally as valid as the NEB/EUB approach as long as the combination of actual/allowed capital structure and equity risk premium for a particular utility reasonably compensates for its business risk relative to that of its peers. The British Columbia Utilities Commission (BCUC) has allowed for both different capital structures and different equity risk premiums among the various utilities it regulates. However, it explicitly designates a low risk benchmark utility (Terasen Gas) and a low risk benchmark return on equity. The combination of capital structures and equity risk premiums has also been used in Ontario and Québec.

For purposes of this proceeding, I have utilized the first approach and estimated the capital structure that is intended to fully reflect the business risks of Yukon Electrical. In other words, I have estimated a capital structure for Yukon Electrical, based on the principles set out in Section III that would be compatible with the application of a benchmark return on equity to Yukon Electrical. If, however, the common equity ratio

² In the years since the multi-pipeline return on equity was adopted, the NEB has changed the allowed capital structure, rather than the allowed return, to recognize changes in business risk. Thus, TransCanada PipeLine's allowed common equity ratio has risen from 30% in 1995 to 33% in 2002, 36% in 2005 and 40% in 2007.

adopted for ratemaking purposes is lower than that which would fully compensate for Yukon Electrical's business risks, then an upward adjustment will need to be made to the benchmark ROE for Yukon Electrical's higher financial risks.

C. BENCHMARK RETURN ON EQUITY

1. Conceptual Considerations

Both approaches to determining a fair return outlined in Section II.B rely on the measurement of the equity return that would be applicable to a benchmark utility or average risk Canadian utility. That return will be referred to as a benchmark return on equity. A capital structure for Yukon Electrical would then be determined that (a) is compatible with its business risks; (b) would permit it to achieve a stand-alone debt rating similar to that of proxy companies used to establish the benchmark return on equity; and (c) would equate the level of total (business and financial) risk faced by Yukon Electrical to that of the proxies used to estimate the benchmark cost of equity. Under this approach, the benchmark return on equity is "fixed" and the common equity ratio for Yukon Electrical is established so that no adjustment to the benchmark return on equity is required.³

The term benchmark utility is a hypothetical construct, because it does not refer to a specific utility and hence reflects no specific business or financial risks. Since the estimate of the cost of equity is derived from market data for utilities across industries (electric, gas distribution and gas pipeline), the benchmark utility reflects, in effect, the composite of the business and financial risks faced by the utilities used to establish the benchmark return. However, one objective measure of what constitutes a benchmark utility would be its ability, on a stand-alone basis, to achieve a particular debt rating,

³ In this regard, Standard & Poor's notes that the business and financial risk components are inextricable. "For example, a utility with a strong business profile could have less financial protection than one with a weaker business profile, yet they could still achieve the same rating. Conversely, a utility with a weak business profile could require a more robust financial profile than one with a stronger business profile in order to get the same rating." (Standard & Poor's, *Research: Rating Methodology for Global Power Utilities*, August 30, 1999)

typically an A rating. The typical, average risk Canadian utility is rated in the A category by both of the major debt rating agencies, DBRS and Standard & Poor's (S&P).

Designation of a debt rating as an indicator of relative risk recognizes that (a) debt ratings reflect both business and financial risk, and (b) the equity return requirement is a function of both business and financial risk. Thus, the benchmark return on equity would be one that is applicable to a specific utility whose capital structure is adequate to achieve, on a stand-alone basis, debt ratings in the A category.

The applicability of the benchmark return on equity to a specific utility thus is dependent on the business risks and capital structure allowed for that utility. Since different utilities face different levels of business risk, utilities with lower (higher) business risk would require lower (higher) common equity ratios. If the lower (higher) business risk of specific utilities is completely compensated for through a lower (higher) common equity ratio, their total (or investment) risk will be approximately the same. If the allowed common equity ratio is sufficient to result in a level of total risk equivalent to the benchmark, the benchmark return on equity can be directly applied to that utility, with no adjustment to the level of the benchmark return on equity.

For specific purposes of this proceeding, I recommend adopting as the benchmark return on equity, the generic return on equity applicable to the Alberta utilities as adjusted for any forecast changes in interest rates. The return on equity adopted by the EUB for 2008 was 8.75%, based on a forecast long-term Canada bond yield of 4.55%.⁴

2. Benchmark Return on Equity for Test Years 2008-2009

Expert testimony on the fair return is typically technical and lengthy, and often quite similar from year to year. Preparation of testimony, responses to information requests and cross-examination of witnesses entail a considerable amount of money, time and effort. As a result, the cost impact on a utility the size of Yukon Electrical can be

⁴ Order 2007-0347, November 30, 2007.

205 significant. Yukon Electrical is proposing that for the specific purposes of this
206 proceeding, the Alberta generic return on equity be used as a point of departure for
207 establishing its allowed return on equity for the 2008-2009 test years, as adjusted for
208 changes in interest rates. The generic return on equity established by the EUB in
209 Decision 2004-052 and adjusted automatically each year in subsequent Orders is virtually
210 identical to “benchmark” ROEs adopted by other Canadian regulators, including the
211 National Energy Board and, implicitly, by the Public Utilities Board of the Northwest
212 Territories when it established the allowed ROE for Northwest Territories Power
213 Corporation in Decision 13-2007 (August 29, 2007). Using the EUB’s generic return on
214 equity as a point of departure, the costs associated with the determination of the allowed
215 return on equity for Yukon Electrical should be greatly reduced. The cost of capital
216 testimony can then focus on the issue of the capital structure that is required to fully
217 compensate for the utility’s business risks and, if necessary, given the specific financing
218 considerations of the utility, any incremental equity risk premium relative to the
219 benchmark return on equity that is required.

220
221 Given these considerations, I accept, for the express purposes of this proceeding, that the
222 return on equity determined by the EUB in Decision 2004-052, as adjusted for changes in
223 interest rates since the decision was issued, will be used as the basis for establishing the
224 allowed return on equity for Yukon Electrical.⁵ That return on equity, however, can only
225 be applied to a common equity ratio that fully compensates for Yukon Electrical’s
226 business risks.

227
228 Decision 2004-052 established an automatic adjustment mechanism for determining a
229 utility’s allowed return on equity in response to a change in interest rates. Automatic
230 adjustment mechanisms for determining a utility’s allowed return on equity are relied

⁵ In my opinion, as well as that of Yukon Electrical, the EUB benchmark return on equity is below the level commensurate with the comparable returns standard. The EUB as well as the NEB have initiated proceedings to determine whether their automatic adjustment mechanisms continue to produce a fair return. In the ATCO Utilities’ view (with which I concur), as filed with the AUC on April 4, 2008, the automatic adjustment mechanism does not produce a fair return. Nevertheless, until such time as the issue has been reviewed by the AUC, Yukon Electrical is prepared to accept the EUB “benchmark” as a point of departure for establishing its allowed ROE for 2008 and 2009.

upon in six regulatory jurisdictions in Canada. The various mechanisms are all quite similar. The point of departure for the implementation of each of the automatic adjustment mechanisms was the determination of a base, or initial, return on equity and its two component parts, the risk-free rate and the equity risk premium. The adjustment mechanism itself specifies how changes from the base allowed return on equity are to be calculated for subsequent years. The two major components of the adjustment mechanism are the measurement of the risk-free rate and the formula, or adjustment factor, to be used to adjust the allowed return on equity from one year to the next. The forecast yield on the long-term Government of Canada bond is used as the proxy for the risk-free rate.

Application of an adjustment mechanism like those used in most Canadian jurisdictions requires the following steps:

- Step 1: Establish the forecast long-term Canada bond yield for the test year(s),
- Step 2: Apply the adjustment factor to the difference between the test year forecast(s) of the long-term Canada bond yield and the bond yield underlying the base allowed return on equity, and
- Step 3: Adjust the base allowed return on equity by the amount(s) determined in Step 2.

In five of the six Canadian jurisdictions that currently use an automatic adjustment mechanism,⁶ the adjustment factor is set at 0.75, i.e., the change in allowed return on equity equals 75% of the change in the forecast long-term Government of Canada bond yield. The 75 basis point change in allowed return on equity for every one percentage point in the forecast long term Government of Canada bond yield reflects some

⁶ The five regulatory boards that use automatic adjustment mechanisms with a 0.75 adjustment factor are the EUB, the British Columbia Utilities Commission, the Ontario Energy Board, the National Energy Board, and the Régie de l'Énergie de Québec. In Newfoundland and Labrador, the adjustment factor is 0.80.

257 recognition that the return on equity does not move in tandem (one for one) with changes
258 in the yield on long-term government bonds.⁷

259
260 As indicated in Section II.C.1 above, the 2008 Alberta generic return on equity is 8.75%
261 (at a long-term Canada bond yield of 4.55%). Yukon Electrical is proposing rates for a
262 two-year test period, 2008-2009. I recommend that the PUB adopt a single benchmark
263 return on equity for both test years, based on the average forecast long-term Government
264 of Canada bond yield during the test years.

265
266 The most recent Consensus Economics, *Consensus Forecasts* (April 2008) indicates that
267 the 10-year Government of Canada bond yield will be 3.6% in July 2008 and 3.9% by
268 April 2009. During the first four months of 2008, the 10-year Government of Canada
269 bond yield averaged approximately 3.7% (and the 30-year Government of Canada bond
270 yield averaged 4.1%). Based on the actual yields to date and the *Consensus* for July 2008
271 and April 2009, the 10-year Government of Canada bond yield is forecast at
272 approximately 3.7%. During April 2008, the spread between 10 and 30 year Canada
273 bond yields averaged approximately 50 basis points. The addition of 50 basis points to
274 the forecast 10-year bond yield produces a forecast 30-year Canada bond yield of 4.2%
275 for 2008.

276
277 There is no consensus forecast for all of 2009. However, the long-term forecast for 10-
278 year Government of Canada bond yields contained in the April 2008 Consensus
279 Economics, *Consensus Forecasts* anticipates that the 10-year Government of Canada
280 bond yield will be 5.0% in 2010. In the absence of a 2009 consensus forecast for Canada,
281 the quarterly consensus forecasts for U.S. 10-year Treasury bond yields can be used to
282 approximate the forecast for the 10-year Government of Canada bond yield, as the
283 available consensus forecasts show that the Canadian and U.S. rates are expected to track

⁷ While the 0.75 adjustment factor recognizes to some extent the inverse relationship between equity risk premiums and equity returns, it overstates the extent to which they move together. Nevertheless, to the extent that the automatic adjustment formula has reduced allowed ROEs since the inception of such formulas, it is reasonable for the formula to increase allowed ROEs by a similar amount until such time as a benchmark return is recalibrated and, if warranted, a new formula established.

284 closely, with the 10-year Canada bond slightly higher (10 basis points) than the 10-year
285 Treasury by 2010. The Blue Chip *Financial Forecasts* (May 1, 2008) anticipates that the
286 10-year U.S. Treasury yield will increase quarterly by 0.10% during 2009. The resulting
287 10-year 2009 Government of Canada bond yield would be approximately 4.2%. Based
288 on these forecasts and a continuation of the current 50 basis point spread between 10- and
289 30-year Canada bond yields, I anticipate that the 30-year Canada bond yield will average
290 4.7% in 2009.

291
292 The average forecast 30-year yield for the two test years is thus approximately 4.5%,
293 similar to the 4.55% forecast relied on by the EUB to set the Alberta “benchmark” return
294 of 8.75%. While the 2008-2009 average forecast long-term Canada bond yield of 4.5% is
295 somewhat higher than the forecast for 2008 alone, Yukon Electrical is taking the risk that
296 the actual long-term yields in 2009 will be higher than currently anticipated.

297
298 Based on a 4.5% long-term Canada bond yield forecast, the benchmark return on equity
299 (ROE) for Yukon Electrical’s 2008-2009 test years is approximately 8.75%, the same as
300 the 2008 Alberta generic return on equity.

301
302 I recommend, therefore, that a benchmark return on equity of 8.75% be adopted for both
303 test years; the 8.75% would be applicable to the common equity ratio estimated in
304 Sections III to VIII. If, however, the common equity ratio adopted for ratemaking
305 purposes is lower than that which would fully compensate for Yukon Electrical’s
306 business risks, then an upward adjustment will need to be made to the benchmark ROE
307 for Yukon Electrical’s higher financial risks.

III. PRINCIPLES FOR CAPITAL STRUCTURE

The following principles should be respected when establishing the appropriate capital structure for Yukon Electrical:

- A. The Stand-Alone Principle.
- B. Compatibility of Capital Structure with Business Risks.
- C. Maintenance of Creditworthiness/Financial Integrity.

Each of these principles is defined below.

A. THE STAND-ALONE PRINCIPLE

The stand-alone principle encompasses the notion that the cost of capital incurred by Yukon Electrical should be equivalent to that which would be faced if it was raising capital in the public markets on the strength of its own business and financial parameters; in other words, as if it were operating as an independent entity. The cost of capital for the company should reflect neither subsidies given to, nor taken from, other activities of the firm. Respect for the stand-alone principle is intended to promote efficient allocation of capital resources among the various activities of the firm.

Yukon Electrical is 100% owned by ATCO Electric. ATCO Electric, in turn, is a wholly-owned subsidiary of CU Inc. Yukon Electrical operates as a stand-alone entity (separate from the other electric utility operations of ATCO Electric). CU Inc. raises debt on behalf of Yukon Electrical. CU Inc.'s debt is rated A(high) by DBRS and A by S&P. Debt raised by CU Inc. is mirrored down to the individual ATCO Utilities, including Yukon Electrical, at the cost incurred by CU Inc. Yukon Electrical's customers, therefore, receive the benefits of CU Inc.'s ratings. In turn, Yukon Electrical should contribute its fair share toward the maintenance of the debt ratings through its own capital structure and return on equity. It would be inequitable for customers to receive the

benefits of debt costs that reflect an A(high)/A debt rating while the common equity ratio (or equity thickness) is only adequate, for example, for a (notional) BBB rating.

Based on the indicated spreads for new issues as published by RBC Capital Markets, CU Inc. has been able to raise new 30-year debt on average at approximately 120 basis points over a similar term Government of Canada bond during 2007 and the first quarter of 2008. Over this period, spreads for utilities with one debt rating in the BBB category (split-rated utilities) have ranged from 135 basis points (Union Gas rated A by DBRS and BBB+ by S&P) to 175 basis points (EPCOR Utilities, rated A(low) by DBRS and BBB+ by S&P) and have averaged approximately 140-145 basis points (See Schedule 1).

The 2007-2008Q1 average masks the widening spreads over the period. As investors have become more risk-averse, and the outlook for the economy has deteriorated, credit spreads have widened considerably since the end of 2006. At the end of March 2008, the indicated spread for a new 30-year CU Inc. issue was 157 basis points versus 92 basis points at the end of 2006. Spreads for new split-rated A/BBB issues have increased from approximately 125-130 basis points to 200 basis points over the same period.

Depending on the state of the capital markets, the spread between the cost of a new long-term debt issue for a strong A credit and one for a split A/BBB credit can be much higher than it is currently. As recently as five years ago, the spread has been as high as 100 basis points.

With respect to electric power corporations that are still investment grade but rated in the BBB category by all the debt rating agencies, there is only one conventional equity corporation (i.e., non-income trust) included in the S&P/TSX Utilities Sector, TransAlta Corporation. The average indicated spread for a new 30-year TransAlta Corporation debt issue during 2007-2008Q1 has been 278 basis points; at the end of March 2008, the spread was 390 basis points. (Schedule 1) The recent differential between the TransAlta Corporation cost of long-term debt and the CU Inc. cost of long term debt of approximately 233 basis points provides a perspective on the potential magnitude of the

benefits to ratepayers of Yukon Electrical's affiliation with CU Inc. As a true stand-alone entity, Yukon Electrical would not be able to obtain investment grade debt ratings given its small size. The estimation of an appropriate capital structure for Yukon Electrical should recognize the magnitude of the cost benefits conferred upon ratepayers arising from Yukon Electrical's ability to access debt capital through CU Inc. rather than on its own.

B. COMPATIBILITY OF CAPITAL STRUCTURE WITH BUSINESS RISKS

The capital structure should be consistent with the business risks of the specific entity for which the capital structure is being set. The business risks to which investors in a utility are exposed are those that reflect the basic characteristics of the operating environment and regulatory framework that can lead to the failure to recover a compensatory return on, and/or the return of, the capital investment itself.

C. MAINTENANCE OF CREDITWORTHINESS/FINANCIAL INTEGRITY

For larger utilities like CU Inc. which regularly access the public debt markets, a reasonable capital structure, in conjunction with the returns allowed on the various sources of capital, should provide the basis for stand-alone investment grade debt ratings in the A category. An A debt rating assures that the utility would be able to access the capital markets on reasonable terms and conditions during both robust and difficult or weak capital market conditions.

As noted above, Yukon Electrical is too small to have its own debt ratings (i.e., it would not be investment grade) or to access the public debt markets on its own. If it were to access third-party debt on its own, its options would be limited to banks or insurance companies at a significantly higher cost than is available to CU Inc., and with more stringent covenants. A rigid application of the stand-alone and creditworthiness/financial integrity principles would impute to Yukon Electrical both the actual cost of debt that Yukon Electrical would be able to obtain on its own and the capital structure that would

401 be required by a potential lender to provide debt capital in the absence of its affiliation
402 with CU Inc.

403
404 To my knowledge, the only small (total capital less than \$100 million) regulated
405 company that has accessed debt on a true stand-alone basis within the past five years is
406 Natural Resource Gas (NRG), a small Ontario natural gas distributor. NRG was able to
407 obtain five-year bank financing during 2005, a period of easy credit, at a spread over
408 five-year Government of Canada bond yields of approximately 280 basis points. At the
409 same time, the larger gas utilities (with debt ratings in the A/BBB rating categories) were
410 able to issue five-year debt at spreads of 40-45 basis points over five-year Government of
411 Canada bond yields. At the time, TransAlta Corporation was able to raise five-year debt
412 at approximately 70 basis points above a similar term Government of Canada bond yield.
413 While NRG is somewhat smaller (assets of approximately \$9 million) than Yukon
414 Electrical, it would be of reasonably similar business risk to Yukon Electrical. Thus
415 NRG's stand-alone cost of debt provides a further indicator of the order of magnitude of
416 the benefit that Yukon Electrical's ratepayers receive as a result of Yukon Electrical's
417 affiliation with CU Inc.

418
419 My assessment of the appropriate capital structure for Yukon Electrical balances the
420 stand-alone and creditworthiness and financial integrity principles with a recognition that
421 the impact of small size on lenders' willingness to lend funds and on the stand-alone cost
422 of debt would be, in part, related to the lack of liquidity and institutional interest in small
423 debt issues rather than to fundamental business risk factors. Nevertheless, the appropriate
424 capital structure and return on rate base for Yukon Electrical needs to recognize the cost
425 benefits that Yukon Electrical's ratepayers receive.

IV. BUSINESS RISK

Business risks have both short-term and longer-term aspects. The capital structure and fair return on equity should reflect both short-term and long-term risks. Long-term risks are important because utility assets are long-lived. Moreover, utility stocks are not typically purchased as short-term investments. Since utilities are generally regulated on the basis of annual revenue requirements, there is a tendency to downplay longer-term risks, essentially on the grounds that the regulatory framework provides the regulator an opportunity to compensate the shareholder for the longer-term risks when they are experienced. This premise may not hold. First, customer resistance may forestall higher return rewards when the risk materializes. Second, no regulator can bind his successors and thus guarantee that investors will be compensated for longer-term risks in the event they are incurred in the future.

Business risk encompasses those market demand, supply and regulatory factors that expose the shareholders to the risk of under-recovery of the required return on, and the return of, their capital investment.

Market demand risk relates to those factors that can lead to annual volatility in electricity sales or loss of customers. It includes market size, economic diversity and strength of the service area, growth potential, concentration of sales, competition with alternative energy sources and weather.

Supply and physical (operating) risks faced by an integrated electric utility comprise the risk of under-earning due to the inability to deliver electricity, or the inability to recover costs associated with the acquisition or delivery of electricity. The physical risks of the utility are a function of its geography, mix of generation and ability to access alternative sources of supply.

The regulatory framework in which a utility operates is, next to the basic demand risks, the most significant aspect of risk to which shareholders in a regulated firm are exposed.

The financial community is very conscious of the regulatory environment, as highlighted in reports of both bond rating agencies and investment analysts.

Yukon Electrical is a small integrated electric utility serving 19 communities and approximately 15,000 customers spread throughout the territory. Whitehorse, the largest community, accounts for over 70% of the population of the Yukon. The largest community served outside of Whitehorse is Watson Lake, with a population of approximately 1,600. The populations of the other communities served range from approximately 10 to 300. Total sales in 2007 were approximately 300 GW.h. To put this in perspective, the following table compares customers, sales, and rate base of major Canadian investor-owned and government-owned electric utilities with rated debt, i.e., not guaranteed.⁸

Table 1

Company	Customers	Sales (GW.h.)	Rate Base (\$ Millions)
Yukon Electrical	15,000	300	43
Electric Utilities with Rated Debt:			
ATCO Electric	216,000	10,300	1,500
EPCOR Utilities	318,000	7,100	500
FortisAlberta	430,000	14,700	800
FortisBC	152,000 ^{1/}	3,100	680
Hydro One	1,300,000	29,300	8,400
Hydro Ottawa	280,000	7,500	500
Maritime Electric	66,000	1,000	200
Newfoundland Power	229,500	5,000	750
Nova Scotia Power	460,000	11,600	2,900

^{1/} Includes both direct (approximately 100,000) and indirect customers.

⁸ For comparison with other northern electric utilities:

Company	Customers	Sales (MW.h.)	Rate Base (\$ Millions)
NTPC ^{1/}	18,800	310,000	200
NU (YK)	7,900	157,000	20
NU (NWT)	2,600	35,000	12
YEC ^{1/2/}	15,000	302,000	158

^{1/} Includes both direct and indirect customers.

^{2/} Rate base approximated by 2006 net property, plant and equipment.

As the table above indicates, Yukon Electrical is approximately one-quarter the size of the smallest utility (Maritime Electric) with its own debt ratings. Growth in rate base has been relatively strong over the past 10 years (approximately 3% annually). Future growth is expected to come from growth in new residential and commercial development and the continuing replacement of aerial infrastructure, i.e., exposed distribution lines, with underground lines. While rate base growth is expected to remain relatively strong, Yukon Electrical is expected to remain a very small utility relative to its Canadian peers. From a business risk fundamentals perspective, small size limits a utility's ability to diversify its risks geographically, operationally and among services provided.

Yukon Electrical's customer profile, based on 2007 actual data, is as follows:

Table 2

	Residential	Commercial and Secondary^{1/}	Street & Sentinel Lighting	Wholesale
Sales (\$000)	\$14,088	\$20,182	\$837	\$53
Customers	12,452	2,592	na	1

^{1/} The majority of customers (2,570) and sales (\$18,728) are commercial.

While Yukon Electrical currently has no industrial customers of its own, the economic base of the Yukon will have secondary impacts on the residential and commercial customer load. The cornerstones of the economy of the Yukon have historically been resource-based industries. The impact of these industries (principally mining) on the economy of the Yukon declined over the past decade following the closure of the Faro Mine in January 1997.⁹ Prior to the mine's closure, the mining and oil and gas extraction industries had accounted for approximately 12% of GDP. In 2006, the portion of GDP accounted for the mining/oil and gas industries had fallen by half, to approximately 6% (virtually all of which is accounted for by gold mining). The opening of the new Minto

⁹ The mine was operated by Anvil Range Mining at the time of its closure.

497 Mine in late 2007¹⁰ is expected to have a positive impact on the economy, but will
498 correspondingly increase the potential volatility in the economic performance of the
499 Yukon.

500
501 The largest sector of the Yukon economy is public administration (government)
502 contributing approximately 24% of GDP in 2006. This sector has a moderating impact
503 on the territory's economy, because its rate of growth, while exhibiting some variability,
504 is not subject to the wide swings seen in some other sectors, e.g. the resource-based
505 sectors, manufacturing and construction. The importance of government to the economy
506 of the Yukon is reflected in Yukon Electrical's customer profile/sales margin. Of Yukon
507 Electrical's 18 largest customers, 11 are government-related entities, accounting for 17%
508 of gross margin. Despite the moderating effect of government, annual GDP growth rates
509 in the Yukon have been volatile, in part due to the year to year changes in construction
510 activity. Over the 1998-2006 periods, annual GDP growth in the Yukon has been
511 approximately twice as volatile as that of the individual provinces.

512
513 The divergent rates of growth in the Yukon over time demonstrate the volatility in the
514 economy and potential impact on Yukon Electrical. Not only do the actual annual rates
515 of growth exhibit considerable volatility, there can be significant differences between
516 rates of growth as initially reported or forecast and the final actual rates of growth once
517 all revisions have been made. For example, in May 2007, the Yukon Government, in its
518 *Yukon Economic Overview and Outlook 2007* reported a 2005 rate of real GDP growth of
519 5.2%. The actual rate, as indicated above, was only 3.9% when revised in November
520 2007. The potential variance between forecast and actual rates of growth enhances
521 Yukon Electrical's forecasting risk. On the cost side, forecasting risks are further
522 increased by the tight labour market, particularly for skilled workers, rising wages and
523 rising costs of basic materials.

524

¹⁰ The mine is expected to connect to Yukon Energy in late 2008 and generate approximately 40 MW.h of sales. The costs associated with extending the transmission line to the mine are being paid by Minto Explorations Inc., the mine operator, and the Territorial Government.

Electric utilities, including Yukon Electrical, are subject to the risk of lost sales arising from the increasing emphasis on energy efficiency, conservation and reducing peak load. Lost load due to energy efficiency and conservation efforts reduces the utility's earnings. The implementation of energy conservation and efficiency initiatives, with the objective of reducing energy costs and environmental impacts raises the risk to earnings.¹¹ The Yukon Government is actively promoting energy efficiency through its Energy Solutions Center. Moreover, the elimination of Yukon Energy's Rate Stabilization Fund will act as an incentive for conservation.

With respect to supply and physical risks, Yukon Electrical faces a significantly higher level of risk relative to other Canadian electrical utilities. The electric utility network in the Yukon has two main grids: the Whitehorse/Aishihik/Faro (WAF)¹² and the Mayo/Dawson grid.¹³ The WAF grid is fed by Yukon Electrical's Fish Lake hydroelectric facility and Yukon Energy's Aishihik and Whitehorse hydroelectric plants. Yukon Electrical has backup generation to the WAF grid through its diesel standby plants at Carmacks, Ross River, Haines Junction/Canyon Creek and Teslin. Yukon Electrical's diesel plant at Stewart provides backup generation capacity to the Mayo/Dawson Grid. Yukon Electrical also serves a number of isolated communities (not connected to the grid) in the Yukon with diesel generation (Watson Lake, Beaver Creek, Destruction Bay/Burwash Landing, Old Crow, Pelly Crossing and Swift River). Pelly Crossing is forecast to be connected to the WAF grid in the 4th quarter of 2008.

Approximately 12% of Yukon Electrical's rate base is comprised of generation assets (approximately 90% of which is diesel). The presence of generation assets in rate base generally increases the business risk of Yukon Electrical relative to a pure distribution utility, as the operational risks associated with generation exceed those of "wires" operations. In the case of Yukon Electrical, the operating risks are exacerbated by the

¹¹ A number of regulatory jurisdictions in North America have implemented or are investigating revenue decoupling (decoupling revenues from consumption) to address this issue.

¹² The WAF grid connects Whitehorse with Yukon Electrical's franchise communities of Carcross, Carmacks, Haines Junction/Canyon Creek, Ross River and Teslin.

¹³ The Mayo/Dawson grid connects Yukon Electrical's franchise communities of Stewart Crossing and Keno Hill with Yukon Energy's franchise communities of Dawson City, Elsa and Mayo.

552 severe climate in which the utility operates, increasing both the risk of outages and the
553 potential unanticipated impacts of repair (in terms of both time and expenditures), and the
554 isolated nature of some of the smaller communities served. While Yukon Electrical has
555 proposed deferral accounts that cover diesel fuel costs, the high cost of diesel fuel creates
556 an additional incentive to conserve energy (thus leading to lower than expected sales).
557 Further, in contrast to hydroelectric generation, diesel generation is exposed to greater
558 risks of complying with increasingly stringent environmental standards. Yukon
559 Electrical has a significant amount aerial infrastructure, i.e., exposed distribution line.
560 Although the exposed lines are being moved underground, the exposed lines, in
561 conjunction with a heavily treed service territory, increases the operating risks of Yukon
562 Electrical.

563
564 With respect to regulatory risk, as independent tribunals, regulators have the power to
565 expose utilities to relatively high risks, by, for example, disallowing costs, approving rate
566 designs that are tilted against recovery of fixed costs, or returns that do not conform to
567 informed investors' perception of risk. Alternatively, regulation can provide an
568 environment characterized by even-handedness, conducive to continued growth
569 consistent with economic allocation of resources, and affording the utility an opportunity
570 to achieve a fair return with a reasonably high probability. This explains why regulation
571 is considered to be a key element of a utility's business risk profile. On balance, the
572 regulatory environment in the Yukon has been even-handed and reasonable in its
573 approach; the Board has granted deferral accounts for costs that are beyond the control of
574 management, including power costs, diesel fuel and generation costs, plant maintenance
575 expense and rate case expense.¹⁴ Nevertheless regulatory decisions can also have a
576 negative impact on utilities.

577
578 Ms. McShane has no reason to conclude that, based on current policies and practice, that
579 Yukon Electrical, similar to other regulated utilities in North America, will not be
580 provided a reasonable opportunity to recover its capital investment. Nevertheless, the

¹⁴ The existence of these deferral accounts does not constitute a guarantee that the costs accrued in the account will be recoverable from customers.

regulator cannot provide a guarantee that the capital investment will be recovered. The regulator can not provide a guarantee that long-term economic conditions will permit the full recovery of the invested capital, it does not make energy policies that can favor the government-owned utility and/or impact on the ability to recover the invested capital, and it cannot bind the decisions of future regulators.

On balance, as a very small utility operating in a service territory with an undiversified economic base and facing significant geographic physical/operating challenges, Yukon Electrical:

- is exposed to a significantly higher degree of business risk than the typical electricity distribution utility in Canada,
- is of higher than average business risk within the spectrum of Canadian utilities and,
- is of similar business risk to its sister utility in the Northwest Territories, Northland Utilities (Yellowknife) Limited.

V. CAPITAL STRUCTURES OF PEERS

The determination of the capital structure that reflects Yukon Electrical's business risks and would be compatible with the application of the benchmark return on equity requires comparisons with the capital structures of other electric utilities for two reasons. First, electric utilities which raise debt in the public markets (and, therefore, have debt ratings) have capital structures that have been "tested" by the capital markets. Thus, their capital structures, in conjunction with other key financial metrics (e.g., coverage ratios), provide an indication of the capital structure required to maintain investment grade debt ratings. Second, the common equity ratios allowed for other electric utilities (whether or not their debt is rated), either through regulatory decisions or settlements, provide a measure of the level that is warranted for an electric utility to compete for capital with its peers, with due regard to differences in business risk.

Table 3 below sets out the average actual common equity ratios of Canadian electric utilities with rated debt, as well as those of low risk U.S. electric utilities with debt rated in the A category.

Table 3

Electric Utilities with Rated Debt	Ratings DBRS/Moody's/S&P	Common Equity Ratio (2006)
Canadian Electric Utilities:		
All	A/Baa1/A-	43.4%
Transmission & Distribution	A/Baa1/A-	44.5%
Integrated	A(low)/Baa2/BBB+	40.5%
U.S. A-rated Electric Utilities	na/A2/A	49.0%

Source: Schedules 2, 3 and 4.

Table 3 indicates that the average actual common equity ratios for all Canadian electric utilities with rated debt and for Canadian transmission and distribution utilities have averaged close to 43.5% and just below 45% respectively. The corresponding debt ratings by all three debt rating agencies have been, on average, approximately A-/A(low).

Given Yukon Electrical's higher than average business risks, the equity ratios maintained by other Canadian electric utilities indicate that a 45% common equity ratio would be too low to fully compensate for its business risks. Two of the smaller investor-owned primarily electric distribution utilities that would be considered the closest comparators to Yukon Electrical of the Canadian electric utilities with rated debt (Maritime Electric and Newfoundland Power) both have target actual common equity ratios of 45%. While they are the closest comparators, both are significantly larger and face lower business risk than Yukon Electrical. Moreover, their allowed returns on common equity are higher than the returns allowed under the Alberta formula which serves as the benchmark return on equity for Yukon Electrical.¹⁵ These specific "comparators" strengthen the conclusion

¹⁵ Maritime Electric, which is not subject to an automatic adjustment formula, was allowed a common equity return of 10.0% for the 2008 test year, approximately 125 basis points higher than the EUB's generic

634 that a 45% common equity ratio for Yukon Electrical (at the benchmark return on equity)
635 is too low to fully compensate for Yukon Electrical's business risks. With respect to the
636 recent Northwest Territories Power Corp. (NTPC) decision, for the 2007/08 test year, the
637 Public Utilities Board of the Northwest Territories adopted a common equity ratio of
638 48.86% and an incremental equity risk premium of 0.50% for NTPC, a higher business
639 risk utility than Yukon Electrical. The corresponding equity ratio for NTPC that would
640 fully compensate for its higher business risks would be approximately 56-57%. Since
641 NTPC faces higher business risk than Yukon Electrical, the fully compensatory equity
642 ratio for Yukon Electrical indicated by the NTPC decision would be lower than 56-57%.

643
644 As the capital market has become increasingly global, Canadian utilities increasingly find
645 themselves competing with foreign utilities for financing. The similarities and proximity
646 of the U.S. and Canadian capital markets make comparisons with U.S. electric utilities
647 especially relevant. The major bond rating agencies increasingly draw comparisons
648 between Canadian utilities and their U.S. peers. Thus, the capital structures of U.S.
649 electric utilities of reasonably similar business risk to Yukon Electrical and with debt
650 rated in the A category may provide some guidance.

651
652 Since 1999, S&P has assigned to utilities a business risk score in a range of "1" to "10",
653 where "1" indicates the lowest level of business risk, and "10" the highest.¹⁶ As of
654 November 2007, the median business profile score of the U.S. electric utilities with debt
655 rated in the A category was "4".¹⁷ By comparison the average S&P business profile
656 score assigned to Canadian utilities has been "3". Like Yukon Electrical, the majority of
657 these companies are largely "wires" or "pipes" companies.¹⁸ However, as discussed in

return on equity for the same test year. Newfoundland Power's allowed return on equity at a 4.55% long-term Government of Canada bond yield would be 8.91%.

¹⁶ The key qualitative factors that S&P evaluates in assessing the business risk of regulated electric utilities include regulation, markets, operations, competitiveness and management. S&P considers regulation to be a critical aspect of utilities' creditworthiness.

¹⁷ In November 2007, S&P integrated its utility business/financial risk evaluation methodology into its broader corporate ratings matrix and no longer provides as detailed or transparent a matrix for utilities.

¹⁸ Newfoundland Power, for example, was assigned a business risk profile score of "3". Newfoundland Power would be considered to face lower business risks than Yukon Electrical, given its size, service area and more comprehensive slate of deferral accounts, including revenue protection against weather variations.

658 Section IV, Yukon Electrical would be viewed as facing higher business risks than the
659 typical Canadian utility. On balance, based on its business risk fundamentals, Yukon
660 Electrical would, on a stand-alone basis, be assigned a business profile score within the
661 “4” category, higher than the typical Canadian utility, but the same as the A rated U.S.
662 utilities.

663
664 The higher business risk of the U.S. electric utilities relative to the typical Canadian
665 electric utility is reflected in their higher common equity ratios, leading to similar debt
666 ratings. As indicated in Table 3 above, the median 2006 actual common equity ratio of
667 U.S. electric utilities with debt rated in the A category was 49.0%. Given the similarity
668 in the level of business risks between the A rated U.S. electric utilities and Yukon
669 Electrical, in isolation,¹⁹ the 49% median equity ratio is a reasonable benchmark for
670 Yukon Electrical.

671
672 With respect to allowed common equity ratios, Table 4 below summarizes the most
673 recently adopted capital structures for major Canadian electric utilities, along with any
674 applicable incremental equity risk premiums. Unlike Yukon Electrical, both NTPC and
675 Yukon Energy are government-owned utilities whose debt is guaranteed by their
676 respective Territorial governments. However, like Yukon Electrical, they are both
677 northern utilities, and they are both largely treated like investor-owned utilities for
678 purposes of establishing capital structure and return on equity.

¹⁹ As discussed in more detail in Section VII, the debt ratings of utilities in a particular business risk category are not solely driven by capital structures. They are also driven by other financial parameters, including coverage ratios. Coverage ratios are a function of cash flows, which, in turn, are dependent upon equity returns. The common equity return for the A rated U.S. electric utilities has averaged 11.8% over the past three years (2004-2006), compared to the 8.75% benchmark return. Taking the actual common equity ratios and ROEs of the A rated utilities together, a 50% common equity ratio for Yukon Electrical at the benchmark 8.75% ROE would be too low to equate Yukon Electrical to a benchmark utility.

Table 4

Alberta Taxable Distributors	37.0%
FortisBC	40.0% (plus 0.40% risk premium above BCUC's low risk utility benchmark)
Maritime Electric	42.7% (ROE has been approximately 1.25% higher than Canadian average)
Newfoundland Power	44.5% (risk premium 0.15% higher than benchmark)
Northwest Territories Power	48.6% (plus 0.50% risk premium)
Nova Scotia Power	37.5% (ROE approximately 0.75% higher than Canadian average)
Ontario Electric Distributors	40.0%
Yukon Energy	40.0% (plus 0.52% risk premium above BCUC's low risk utility benchmark) ^{1/}

^{1/} Equal to average of the incremental equity risk premiums of Pacific Northern Gas (65 basis points) and FortisBC (40 basis points); by Order in Council, Yukon Energy's return on equity is then reduced from the "fair return on common equity" by 0.50%.

Source: Schedule 5.

If the capital structure for each of the utilities in Table 4 above were adjusted to eliminate the incremental equity risk premiums, the allowed equity ratios would be approximately 46-47%. On average the companies included in Table 4 are of lower business risk than Yukon Electrical. On this basis, the common equity ratio for Yukon Electrical necessary to compensate for its business risks would be higher than 46-47%.

With respect to U.S. electric utilities, since the beginning of 2005, the average common equity ratio adopted for ratemaking purposes has been 47.9%.²⁰ The average business profile score of all U.S. electric utilities rated by S&P is "5". Thus, the business risk of the U.S. electric utility industry as a whole is higher than that of Yukon Electrical. However, the average debt rating of all U.S. electric utilities is only BBB. Consequently, it may be inferred that a common equity ratio of 47.5% is not adequate for a "5" business profile score and an A credit rating. Given Yukon Electrical's lower fundamental business risks than the U.S. industry in the aggregate, but higher target debt rating (in the A category), the U.S. electric industry average allowed common equity ratio suggests that

²⁰ Regulatory Research Associates, *Major Rate Case Decisions, January–March 2008*, April 2, 2008. Allowed returns on equity have averaged 10.4% over the same period.

a 47.5% common equity ratio would constitute a floor for the equity ratio required to equate Yukon Electrical to the benchmark utility.

On balance, the actual and allowed equity ratios of other Canadian electric utilities, and those of U.S. electric utilities (in conjunction with their actual and allowed ROEs) indicate that the common equity ratio required to fully compensate for Yukon Electrical's business risks would be no less than 47.5%.

VI. RATING AGENCY DEBT RATIO GUIDELINES

Of the three bond rating agencies that rate Canadian utility bonds (as well as the debt of utilities globally), S&P has published the most detailed matrix of quantitative guidelines for different debt ratings.²¹ For a given business risk score and a particular debt rating, S&P provides a guideline range for debt ratios, Funds From Operations (FFO)²² Interest Coverage, and FFO to Total Debt (discussed in Section VII). S&P does not apply their guidelines mechanistically; however, the guidelines do represent one objective basis for evaluating an appropriate stand-alone capital structure for Yukon Electrical.

S&P's debt ratio guidelines for an A debt rating and a business risk score of "4", the notional business risk score attributed to Yukon Electrical, are as follows:

Table 5

Total Debt/Total Capital	45.0-52.0%

Source: Standard & Poor's, *Key Credit Factors: Assessing U.S. Vertically Integrated Utilities' Business Risk Drivers*, September 14, 2006.

The guidelines for a business risk profile score of "4" indicate that a common equity ratio in the range of 48% to 55% (mid-range of 50.0-52.0%) is warranted for an A rating.

²¹ DBRS has published guidelines, but the guidelines have not distinguished by either business risk or investment grade rating category.

²² FFO means Funds from Operations, which equal net income plus non-cash items, including depreciation, deferred taxes and other non-cash expenses, e.g., amortization of regulatory assets.

Moody's also has published quantitative guidelines. As with S&P, other factors may outweigh the mechanistic application of the guidelines in determining a rating. However, the guidelines provide "broad guidance on the ratio ranges that may generally be seen at different rating levels".²³ While neither Yukon Electrical nor CU Inc. has a Moody's rating, there are a large number of Canadian electric, gas and pipeline companies that are rated by Moody's. Thus Moody's guidelines are applicable to those companies and, in turn, will play a role in the formation of target capital structures among Canadian utilities, with the objective of maintaining investment grade debt ratios.

Canadian distribution utilities are typically considered to be operating in a "low business risk" environment by Moody's due to the high degree of regulation and a supportive regulatory system. However, due to its specific business risk fundamentals and small size, Yukon Electrical would likely be classified within the "medium business risk" category. Moody's debt ratio guidelines for an A rating for a regulated company of "medium risk" are:

Table 6

Debt/Capital	40.0-60.0%

Source: Moody's, *Moody's Rating Methodology: Global Regulated Electric Utilities*, March 2005.

Based on Moody's debt ratio guidelines, a reasonable common equity ratio for Yukon Electrical compatible with a stand-alone A rating would be in the middle of the range, i.e., approximately 45%-55%.

The S&P and Moody's debt ratio guidelines, taken together, support a common equity ratio of approximately 45%-55% (mid-point of 50%).

²³ Moody's, *Moody's Rating Methodology: Global Regulated Electric Utilities*, March 2005, page 8.

VII. RATING AGENCY GUIDELINES OTHER THAN DEBT RATIO

Based on the actual and allowed equity ratios for other Canadian and low risk U.S. electric utilities (Section V), the rating agency debt ratio guidelines (Section VI) and consideration of Yukon Electrical's relative business risk (Section IV), a common equity ratio range of 47.5%-52.5% (mid-point of 50%) would be required to equate Yukon Electrical to the benchmark utility (i.e., one with a credit rating of A).

However, the common equity component alone does not determine the debt rating. Other financial metrics, along with qualitative factors, are also taken into account by debt rating agencies. Both S&P and Moody's consider cash flow coverage ratios to be key quantitative financial metrics, specifically FFO Interest Coverage and FFO/Total Debt. If a utility is able to achieve adequate cash flow coverage ratios, despite a debt ratio that is higher than indicated by guidelines (as a result of the combination of return on equity, cost of debt and cash flows from depreciation), it still may be able to achieve an A rating. Consequently, S&P's and Moody's guideline ranges for the debt ratio, while an important indicator of an appropriate capital structure, should be referenced with regard to other financial metrics.

Table 7

	S&P	Moody's
	"4"	"Medium Risk"
FFO Interest Coverage	3.5-4.2X	3.5-6.0X
FFO/Average Total Debt	20.0-28.0%	22.0-30.0%

Source: Standard & Poor's, *Key Credit Factors: Assessing U.S. Vertically Integrated Utilities' Business Risk Drivers*, September 14, 2006 and Moody's, *Moody's Rating Methodology: Global Regulated Electric Utilities*, March 2005.

I have estimated the FFO Interest Coverage and FFO/Total Debt ratios for Yukon Electrical based on common equity ratios of 47.5% and 52.5%. Specifically, I estimated the ratios using capital structures containing 47.5% and 52.5% equity, each in conjunction with a benchmark return on equity of 8.75%, Yukon Electrical's forecast

embedded cost of debt of 6.83% and forecast depreciation expense for 2009. In interpreting the results, it is important to recognize, as noted earlier, that the guidelines are not applied mechanistically.

Yukon Electrical's indicated FFO Interest Coverage ratios are 4.2X and 4.7X at 47.5% equity and 52.5% equity respectively. The indicated ratios are at the upper end of S&P's guideline range at a 47.5% common equity ratio and above the upper end of the range at a 52.5% common equity ratio. In each case, the calculated FFO coverage ratio is below the mid-point (4.75X) of Moody's guideline range. The estimated FFO/Total Debt ratios (22% and 25% at common equity ratios of 47.5% and 52.5% respectively) are within both S&P's and Moody's guideline ranges. Table 8 (below) indicates that an FFO Interest Coverage ratio for Yukon Electrical in the range of 4.2X to 4.7X would be higher than the achieved ratios of other Canadian transmission and distribution utilities (3.8X), which would be reasonable given Yukon Electrical's higher business risk. However, at a 52.5% equity ratio, the ratio would be similar to, but still lower than, the average FFO coverage ratios achieved by the low risk (A rated) U.S. electric utilities (4.9X).

As shown in Table 8, an FFO/Total Debt ratio for Yukon Electrical of 22% to 25% would be higher than the average achieved FFO/Total Debt ratios of other Canadian electric utilities (17.5%), but, at a 47.5% equity ratio, similar to the average of the low risk (A rated) U.S. electric utilities (22.3%).

Table 8

Electric Utilities with Rated Debt	Ratings DBRS/Moody's/S&P	FFO Interest Coverage (2004-2006)	FFO to Total Debt (2004-2006)
Canadian Electric Utilities:			
All	A/Baa1/A-	3.5X	17.5%
Transmission & Distribution	A/Baa1/A-	3.8X	17.5%
Integrated	A(low)/Baa2/BBB+	3.3X	14.2%
U.S. A-rated Electric	na/A2/A	4.9X	22.3%

Source: Schedules 2 and 3.

Although S&P no longer publishes a guideline range for pre-tax (or EBIT)²⁴ interest coverage ratios,²⁵ it is still considered an important quantitative financial ratio by all three debt rating agencies (S&P, DBRS and Moody's). It has also been a key ratio considered by regulators (e.g., EUB and BCUC) in assessing capital structures. Moreover, in contrast to the FFO coverages, which are driven in part by depreciation expense, EBIT coverage is more a function of capital structure and return on equity.

S&P's most recent EBIT interest coverage guideline range for an A rating at a "4" business profile score was 3.3X to 4.0X.²⁶ At common equity ratios of 47.5% and 52.5%, the benchmark return on equity of 8.75%, Yukon Electrical's embedded debt cost of 6.83%, and an income tax rate of 34%,²⁷ Yukon Electrical's EBIT interest coverage would be in the range of approximately 2.8 to 3.2X. Table 9 below demonstrates the calculation of the EBIT interest coverage at a 50% common equity ratio.

Table 9

	Cost Rate	Percentage	Weighted Component
	(1)	(2)	(3)=(1) x (2)
Debt	6.83%	50.00%	3.42%
Common Equity	8.75%	50.00%	4.375%
Tax Rate (t)	34%		
Income Tax = 4.38 x (t/(1-t))			2.25%
Pre-Tax Return			10.04%
EBIT Interest Coverage ^{1/}			2.94X

^{1/} EBIT Interest Coverage = Pre-Tax Return ÷ Weighted Debt Component.

The indicated EBIT interest coverage ratios of 2.8X to 3.2X at common equity ratio of 47.5-52.5% are below the bottom end of S&P's guideline range for an A rating.

²⁴ Earnings before Interest and Taxes.

²⁵ Moody's has not, to my knowledge, ever published an EBIT interest coverage guideline.

²⁶ S&P, *Utilities and Perspectives*, June 1999. The EBIT interest coverage guideline ranges were excluded from the quantitative guidelines after June 2004, but the actual EBIT interest coverage ratios continue to be provided in the annual utilities' *CreditStats* published by S&P.

²⁷ Statutory combined Federal (19%) and Yukon Territory (15%) rate as of 2009.

Table 10 below indicates that an EBIT interest coverage ratio in the range of 2.8X to 3.2X would be somewhat higher than the average for the other Canadian electric utilities. Over the period 2004-2006, the average EBIT coverage ratios for all major Canadian electric utilities and transmission and distribution utilities with rated debt were 2.7X and 2.5X respectively. In light of Yukon Electrical's higher than average business risk, an EBIT interest coverage ratio higher than the Canadian electric utility industry average should be expected. A ratio of 3.2X, however, would still be lower than the 3.6X average EBIT interest coverage ratio achieved by low risk (A rated) U.S. electric utilities, which, is partly attributable to the low risk U.S. utilities' higher achieved returns on equity (11.8%, see Schedule 2) relative to the 8.75% benchmark return on equity.

Table 10

Electric Utilities with Rated Debt	Ratings DBRS/Moody's/S&P	EBIT Interest Coverage (2004-2006)
Canadian Electric Utilities:		
All	A/Baa1/A-	2.7X
Transmission & Distribution	A/Baa1/A-	2.5X
Integrated	A(low)/Baa2/BBB+	2.6X
U.S. A-rated Electric	na/A2/A	3.6X

Source: Schedules 2 and 3.

In summary, my estimates of the various financial metrics for Yukon Electrical, with emphasis on EBIT coverage, in conjunction with the guideline ranges and the comparative ratios for other electric utilities, indicate that the common equity ratio for Yukon Electrical should be focused on the upper end of the 47.5% to 52.5% range (i.e. at 52.5%).

VIII. DEBT RATING AGENCY COMMENTARY

As indicated in Sections VI and VII above, debt rating agencies and debt investors look at a variety of quantitative financial measures in assessing the financial strength of a utility. For a regulated utility, the ability to achieve strong financial metrics arises not only from the equity base on which it is allowed to earn, but also the allowed return on equity and the rate of depreciation. Both DBRS and S&P have consistently commented on the highly levered nature of Canadian utilities and the low allowed common equity returns relative to their global peers, particularly those in the U.S. The investment community has also indicated to the National Energy Board that it believes the financial parameters adopted for regulated companies are too low.²⁸

DBRS

DBRS has commented generally on the relatively low common equity ratios and returns that are being allowed in Canada. In a May 2003 commentary, *The Rating Process and the Cost of Capital for Utilities: Five Reasons Why Canadian Utilities have Lower Ratios and Five Changes to Regulation Which Should be Introduced in Canada*, DBRS noted that it would like to see both the deemed common equity ratios increased as well as increases in allowed returns to levels more consistent with U.S. returns.

In December 2004, subsequent to the EUB's Generic Cost of Capital Decision (2004-052, dated July 2004), DBRS referred to the low deemed equity ratios and equity returns as a "challenge" for the ATCO Utilities. The DBRS report for ATCO Ltd. stated,

While ATCO's diversified operations, coupled with the Company's prudent management approach, provide a level of earnings stability, additional challenges over the medium term include the relatively low approved returns on equity (return on equity) and deemed equity for the regulated businesses, continuing regulatory risk and lag and ATCO's merchant power exposure in Alberta.

²⁸ National Energy Board, *Canadian Hydrocarbon Transportation System*, August 2005, June 2006 and July 2007.

In DBRS' *Year in Review and Outlook for 2007* (January 2007), the company cited two challenges faced by Canadian regulated utilities in 2006 that were expected to continue to put pressure on the sectors' credit metrics in the coming year. The first challenge was the historically low level of allowed rates of return which put downward pressure on earnings and cash flow. For 2007, DBRS expected that, in some cases, the low rates of return would be offset by higher equity ratios.²⁹ The second challenge was the need to finance increased capital expenditures to replace aging infrastructure and to meet increased demand due to growth in business.³⁰

Standard and Poor's

With respect to S&P, in early March 2003, the debt rating agency announced that it was reevaluating its prior justification of the strong investment grade ratings of Canadian utilities (i.e., the nature of Canadian regulation).

S&P noted that Canadian utilities are among the most highly levered utilities in their global ratings universe, and that the highly leveraged financial profiles generally stem from regulatory directives. Subsequent to that announcement, S&P has commented on the low equity ratios and allowed returns of specific Canadian utilities.

Like DBRS, S&P has made references to the low deemed equity ratios and equity returns allowed in the EUB's Generic Cost of Capital decision for Alberta utilities. For example, S&P commented on the thin equity layers (and the low returns) allowed the ATCO group of utilities after the EUB decision, stating,

²⁹ In its July 24, 2007 report on Toronto Hydro, DBRS stated "The return on equity of 9.0% in 2007 (also 9% in 2006) is an 88 basis point decline from 9.88% in 2005. However, the lower return on equity is expected to be somewhat offset as the equity component of the capital structure increases from 35% in 2007 to 40% in 2009."

³⁰ Other DBRS reports have referenced the low approved returns on equity as a "challenge" for Canadian utilities, i.e., ATCO Ltd. (January 2007), CU Inc. (January 2007), Union Gas (March 2007) and FortisAlberta (May 2007).

910 The regulatory regime, although comparable with other provinces in Canada,
911 typically approves less generous returns on thinner equity layers than those
912 approved for ATCO's global peers. Approved returns for ATCO's regulated
913 businesses are 9.6% on equity layers varying from 33%-43% of total capital.
914 (S&P, *Research Update: ATCO Group of Companies 'A' Ratings Affirmed;*
915 *Outlook Stable*, November 9, 2004)
916

917 In a more recent report for Yukon Electrical's parent, CU Inc. (rated A), S&P stated in
918 reference to the company's businesses in Alberta,

919
920 Rates of return and deemed equity layers are somewhat low compared with those
921 of global peers, but are similar to those of other Canadian utilities (S&P, *CU Inc.*,
922 *October 26, 2007*)
923

924 In general, S&P considers that Canadian utility financial policies tend to be aggressive
925 with leverage, and regulators parsimonious with returns.³¹ As indicated above, the
926 "aggressive leverage" is largely a result of regulatory directives.

927

928 In sum, the debt rating agencies consider the allowed common equity ratios for Canadian
929 utilities to be relatively thin and the allowed ROEs to be relatively low. (Actual equity
930 ratios will generally track allowed equity ratios, as utilities have no incentive to maintain
931 higher equity ratios than allowed by the regulator for ratemaking purposes.)

932

933 Based on the views of the debt rating agencies, in the aggregate, the allowed and actual
934 common equity ratios of other Canadian electric utilities would be on the low side as a
935 point of departure for estimating a reasonable capital structure for Yukon Electrical. In
936 that context, the upper end of a 47.5%-52.5% common equity range would be reasonable
937 for Yukon Electrical and allow the benchmark return on equity to be applied without an
938 incremental equity risk premium.

939

³¹ Standard & Poor's, *Industry Report Card: Regulatory Rulings, M&A, and Fuel Cost Recovery Dominate Global Utilities Credit Environment*, November 21, 2006.

IX. CHOICE OF CAPITAL STRUCTURE AND RISK PREMIUM

As previously discussed, I have estimated the common equity ratio that would fully compensate for Yukon Electrical's business risk, i.e., the upper end of a range of 47.5% to 52.5%. A common equity ratio of 52.5% represents a material departure from the actual common equity ratio of approximately 40% that has been historically maintained. To reach an actual common equity ratio of 52.5%, there would need to be a material equity infusion would be required to bring the actual equity ratio up to 52.5%.³²

There is a critical concern, however, with this approach. While the shareholders may be willing to accept the Alberta benchmark return on equity as a point of departure for setting the allowed return on equity for Yukon Electrical, the benchmark return on equity is viewed as relatively low. The very fact that shareholders in Yukon Electrical (as well as shareholders in other Canadian utilities with similar allowed returns) consider the allowed returns for Canadian utilities to be too low to be compatible with the fair return standard begs the question of why utility investors would want to invest additional equity in order to have the opportunity to earn an inadequate return. In this regard, Canadian utility returns compare unfavourably to the returns that are being allowed for U.S. utilities. The average return on equity that has been allowed by state regulators for U.S. electric and gas utilities over the period 2005-2008Q1 has been approximately 10.4%, approximately 1.5 percentage points higher than the corresponding allowed returns for Canadian utilities. The returns allowed by the Federal Energy Regulatory Commission for (lower risk) transmission operations have been in the approximate range of 10.75-13.8%.³³

³² In principle, the common equity ratio could be simply deemed to be 52.5% irrespective of Yukon Electrical's actual common equity ratio. This is not without precedent. For example, the Ontario Energy Board has deemed common equity ratios of 40% for all of the electricity distributors under its jurisdiction. The actual equity ratios of the distributors at the end of the 2006 ranged from negative to 100%. However, Canadian regulators generally have been reluctant to adopt deemed common equity ratios that are materially higher than the actual equity ratios that are maintained by the utilities.

³³ The Conference Board of Canada, in reference to allowed returns for U.S. electricity transmission, underscored the importance of competitive returns for transmission in Canada. In its May 2004 Briefing entitled *Electricity Restructuring: Opening Power Markets*, the Conference Board stated,

This consideration leads me to recommend that Yukon Electrical move to an equity ratio of 47.5%, with the difference between a 47.5% equity ratio and the 52.5% ratio that would fully compensate for Yukon Electrical's business risks reflected in an incremental equity risk premium. The estimate of the risk premium recognizes that within the five percentage point range of equity ratios (from 47.5% to 52.5%), the overall cost of capital would be relatively constant. In other words, as the equity ratio moves from 52.5% to 47.5%, the overall cost of capital would not change; the decrease in the equity ratio would be offset by an increase in the common equity return. As demonstrated in Table 11 below, a decrease in the common equity ratio from 52.5% to 47.5% increases the equity return from the 8.75% benchmark return on equity to approximately 9.25%.³⁴

Table 11

	<u>Proportion</u>	<u>Cost</u>	<u>Weighted Component</u>
Debt	47.50%	6.15%	2.92%
Equity	52.50%	8.75%	<u>4.59%</u>
			7.52%
	Tax Allowance at 34%		<u>2.37%</u>
	Pre-Tax Cost of Capital		9.88%
Move Equity Proportion to 47.5%			
Pre-Tax Cost of Capital Remains Unchanged at:			9.88%
Less: Weighted Interest Component (6.15% x 52.5%)			<u>3.23%</u>
Pre-Tax Weighted Equity Component			6.65%
Less: Tax at 34%			<u>2.26%</u>
After-Tax Weighted Equity Component			4.39%
ROE at 47.5% Equity			
(After-Tax Weighted Equity Component / 47.5%)			9.24%

Investors are discouraged by limitations on the regulated cost recovery for transmission upgrading. Transmission companies are simply not seeing favourable risk/return ratios on their investments, and know that they can realize better returns in the United States, where regulated rates of return are much higher. Rates of return to Canadian firms for transmission projects are around 9 to 10 per cent, well below the 13 to 14 per cent available to U.S. companies. These lower rates discourage investment in Canadian utilities. Moreover, investors are additionally deterred by the fact that existing cost-of-service rates do not reflect the economic value of the transmission grid.

The same conclusions are relevant to distribution and generation.

³⁴ Based on a cost of debt equal to the 4.55% forecast 30-year Long Canada yield plus the November 30, 2007 indicated spread for a new 30-year CU Inc. debt issue of 130 basis points, and the 2009 statutory corporate income tax rate of 34%.

The indicated required increase in the common equity return due to the lower equity ratio, and thus the required incremental equity risk premium for Yukon Electrical at a 47.5% ratio, is approximately 0.50%. A 0.50% incremental equity risk premium results in a recommended ROE for Yukon Electrical of 9.25%.

X. CONCLUSIONS

- I have relied on the approach adopted by the EUB and NEB with respect to capital structure, that is, I have estimated the capital structure that fully reflects the business risk of Yukon Electrical.

- The return on equity that would be applied to the capital structure that fully compensates for Yukon Electrical's business risk is the EUB's benchmark return on equity established in Decision 2004-052, as adjusted for changes in the forecast long-term Canada bond yield.

- I recommend that the YUB adopt a single benchmark return on equity for both test years, 2008-2009, of 8.75%, based on the average forecast of long-term Canada bond yields over the period of 4.5%.

- The capital structure for Yukon Electrical should:
 - o Respect the stand-alone principle;
 - o Be compatible with Yukon Electrical's business risks; and,
 - o Maintain Yukon Electrical's creditworthiness and financial integrity.

- Yukon Electrical's business risks are higher than those of the typical Canadian electricity distribution utility and higher than average within the spectrum of Canadian utilities.

- 1006 • The actual and allowed capital structures of Yukon Electrical's peers, both
1007 Canadian and U.S., indicate that, in isolation, the common equity ratio that would
1008 equate Yukon Electrical to a benchmark utility would be no less than 50%; taking
1009 explicit account of U.S. utilities' considerably higher ROEs relative to the
1010 benchmark ROE of 8.75% supports an equity ratio in excess of 47.5%.
1011
- 1012 • Debt rating agency guidelines for the debt ratio compatible with Yukon
1013 Electrical's level of business risk support a common equity ratio in the range of
1014 45-55%.
1015
- 1016 • Estimates of the various financial metrics for Yukon Electrical, with emphasis on
1017 EBIT coverage, in conjunction with the guideline ranges and the comparative
1018 ratios for other electric utilities, indicate that the common equity ratio for Yukon
1019 Electrical should be focused on the upper end of a 47.5% to 52.5% range (i.e. at
1020 52.5%).
1021
- 1022 • The concerns expressed by the debt rating agencies, as well as other capital
1023 market participants, that the common equity ratios of Canadian utilities are too
1024 thin (and the ROEs are too low) further support the focus on the upper end of
1025 common equity ratio range for Yukon Electrical of 47.5% to 52.5%.
1026
- 1027 • In sum, the upper end of a 47.5-52.5% common equity range would be reasonable
1028 for Yukon Electrical and would allow a benchmark return on equity to be applied
1029 without an incremental equity risk premium.
1030
- 1031 • One critical factor militates against increasing the actual common equity ratio of
1032 Yukon Electrical to 52.5%: To require shareholders to commit additional equity
1033 capital to have the opportunity to earn an equity return perceived as too low is
1034 fundamentally incongruous.
1035

1036 • To address this factors, I recommend increasing the actual common equity ratio of
1037 Yukon Electrical to 47.5% and allowing an incremental equity risk premium of
1038 0.50% above the benchmark return on equity to compensate for the difference
1039 between a 47.5% equity ratio and the 52.5% common equity ratio that would fully
1040 compensate for the business risks of Yukon Electrical. At a 47.5% common
1041 equity ratio, the allowed ROE for Yukon Electrical should be set at 9.25% for the
1042 2008 and 2009 test years.
1043
1044

APPENDIX A

QUALIFICATIONS OF KATHLEEN C. McSHANE

Kathleen McShane is President and senior consultant with Foster Associates, Inc., where she has been employed since 1981. She holds an M.B.A. degree in Finance from the University of Florida, and M.A. and B.A. degrees from the University of Rhode Island. She has been a CFA charterholder since 1989.

Ms. McShane worked for the University of Florida and its Public Utility Research Center, functioning as a research and teaching assistant, before joining Foster Associates. She taught both undergraduate and graduate classes in financial management and assisted in the preparation of a financial management textbook.

At Foster Associates, Ms. McShane has worked in the areas of financial analysis, energy economics and cost allocation. Ms. McShane has presented testimony in more than 190 proceedings on rate of return and capital structure before federal, state, provincial and territorial regulatory boards, on behalf of U.S. and Canadian telephone companies, gas pipelines and distributors, and electric utilities. These testimonies include the assessment of the impact of business risk factors (e.g., competition, rate design, contractual arrangements) on capital structure and equity return requirements. She has also testified on various ratemaking issues, including deferral accounts, rate stabilization mechanisms, excess earnings accounts, cash working capital, and rate base issues. Ms. McShane has provided consulting services for numerous U.S. and Canadian companies on financial and regulatory issues, including financing, dividend policy, corporate structure, cost of capital, automatic adjustments for return on equity, form of regulation (including performance-based regulation), unbundling, corporate separations, stand-alone cost of debt, regulatory climate, income tax allowance for partnerships, change in fiscal year end, treatment of inter-corporate financial transactions, and the impact of weather normalization on risk.

Ms. McShane was principal author of a study on the applicability of alternative incentive regulation proposals to Canadian gas pipelines. She was instrumental in the design and preparation of a study of the profitability of 25 major U.S. gas pipelines, in which she developed estimates of rate base, capital structure, profit margins, unit costs of providing services, and various measures of return on investment. Other studies performed by Ms. McShane include a comparison of municipal and privately owned gas utilities, an analysis of the appropriate capitalization and financing for a new gas pipeline, risk/return analyses of proposed water and gas distribution companies and an independent power project, pros and cons of performance-based regulation, and a study on pricing of a competitive product for the U.S. Postal Service. She has also conducted seminars on cost of capital for regulated utilities, with focus on the Canadian regulatory arena.

Publications, Papers and Presentations

- *Utility Cost of Capital: Canada vs. U.S.*, presented at the CAMPUT Conference, May 2003.
- *The Effects of Unbundling on a Utility's Risk Profile and Rate of Return*, (co-authored with Owen Edmondson, Vice President of ATCO Electric), presented at the Unbundling Rates Conference, New Orleans, Louisiana sponsored by Infocast, January 2000.
- *Atlanta Gas Light's Unbundling Proposal: More Unbundling Required?* presented at the 24th Annual Rate Symposium, Kansas City, Missouri, sponsored by several commissions and universities, April 1998.
- *Incentive Regulation: An Alternative to Assessing LDC Performance*, (co-authored with Dr. William G. Foster), presented at the Natural Gas Conference, Chicago, Illinois sponsored by the Center for Regulatory Studies, May 1993.
- *Alternative Regulatory Incentive Mechanisms*, (co-authored with Stephen F. Sherwin), prepared for the National Energy Board, Incentive Regulation Workshop, October 1992.

EXPERT TESTIMONY/OPINIONS
ON
RATE OF RETURN & CAPITAL STRUCTURE

<u>Client</u>	<u>Date</u>
Alberta Natural Gas	1994
AltaGas Utilities	2000
Ameren (Central Illinois Public Service)	2000, 2002, 2005, 2007 (2 cases)
Ameren (Central Illinois Light Company)	2005, 2007 (2 cases)
Ameren (Illinois Power)	2004, 2005, 2007 (2 cases)
Ameren (Union Electric)	2000 (2 cases), 2002 (2 cases), 2003, 2006 (2 cases)
ATCO Electric	1989, 1991, 1993, 1995, 1998, 1999, 2000, 2003
ATCO Gas	2000, 2003, 2007
ATCO Pipelines	2000, 2003, 2007
Bell Canada	1987, 1993
Benchmark Utility Cost of Equity (British Columbia)	1999
Canadian Western Natural Gas	1989, 1996, 1998, 1999
Centra Gas B.C.	1992, 1995, 1996, 2002
Centra Gas Ontario	1990, 1991, 1993, 1994, 1995
Direct Energy Regulated Services	2005
Dow Pool A Joint Venture	1992
Edmonton Water/EPCOR Water Services	1994, 2000, 2006
Enbridge Gas Distribution	1988, 1989, 1991-1997, 2001, 2002
Enbridge Gas New Brunswick	2000
Enbridge Pipelines (Line 9)	2007
Enbridge Pipelines (Southern Lights)	2007
FortisBC	1995, 1999, 2001, 2004
Gas Company of Hawaii	2000

Gaz Metropolitain	1988
Gazifère	1993, 1994, 1995, 1996, 1997, 1998
Generic Cost of Capital, Alberta (ATCO and AltaGas Utilities)	2003
Heritage Gas	2004
Hydro One	1999, 2001, 2006 (2 cases)
Insurance Bureau of Canada (Newfoundland)	2004
Laclede Gas Company	1998, 1999, 2001, 2002, 2005
Mackenzie Valley Pipeline	2005
Maritimes NRG (Nova Scotia) and (New Brunswick)	1999
Multi-Pipeline Cost of Capital Hearing (National Energy Board)	1994
Natural Resource Gas	1994, 1997, 2006
New Brunswick Power Distribution	2005
Newfoundland & Labrador Hydro	2001, 2003
Newfoundland Power	1998, 2002, 2007
Newfoundland Telephone	1992
Northland Utilities	2008 (2 cases)
Northwestel, Inc.	2000, 2006
Northwestern Utilities	1987, 1990
Northwest Territories Power Corp.	1990, 1992, 1993, 1995, 2001, 2006
Nova Scotia Power Inc.	2001, 2002, 2005
Ontario Power Generation	2007
Ozark Gas Transmission	2000
Pacific Northern Gas	1990, 1991, 1994, 1997, 1999, 2001, 2005
Plateau Pipe Line Ltd.	2007
Platte Pipeline Co.	2002
St. Lawrence Gas	1997, 2002
Southern Union Gas	1990, 1991, 1993
Stentor	1997
Tecumseh Gas Storage	1989, 1990
Telus Québec	2001

Terasen Gas	1992, 1994, 2005
TransCanada PipeLines	1988, 1989, 1991 (2 cases), 1992, 1993
TransGas and SaskEnergy LDC	1995
Trans Québec & Maritimes Pipeline	1987
Union Gas	1988, 1989, 1990, 1992, 1994, 1996, 1998, 2001
Westcoast Energy	1989, 1990, 1992 (2 cases), 1993, 2005
Yukon Electrical Company/Yukon Energy	1991, 1993

EXPERT TESTIMONY/OPINIONS
ON
OTHER ISSUES

<u>Client</u>	<u>Issue</u>	<u>Date</u>
New Brunswick Power Distribution	Interest Coverage/Capital Structure	2007
Heritage Gas	Revenue Deficiency Account	2006
Hydro Québec	Cash Working Capital	2005
Nova Scotia Power	Cash Working Capital	2005
Ontario Electricity Distributors	Stand-Alone Income Taxes	2005
Caisse Centrale de Réassurance	Collateral Damages	2004
Hydro Québec	Cost of Debt	2004
Enbridge Gas New Brunswick	AFUDC	2004
Heritage Gas	Deferral Accounts	2004
ATCO Electric	Carrying Costs on Deferral Account	2001
Newfoundland & Labrador Hydro	Rate Base, Cash Working Capital	2001
Gazifère Inc.	Cash Working Capital	2000
Maritime Electric	Rate Subsidies	2000
Enbridge Gas Distribution	Principles of Cost Allocation	1998
Enbridge Gas Distribution	Unbundling/Regulatory Compact	1998
Maritime Electric	Form of Regulation	1995
Northwest Territories Power	Rate Stabilization Fund	1995
Canadian Western Natural Gas	Cash Working Capital/ Compounding Effect	1989
Gaz Metro/ Province of Québec	Cost Allocation/ Incremental vs. Rolled-In Tolling	1984

1
2

**Current Ratings and New Issue Indicated Spreads
Relative to the Benchmark 30 Year Government of Canada Bond for Selected Canadian Utilities**

	Current Ratings		4-10-06	6-12-06	9-5-06	11-6-06	1-2-07	2006 Average	4-2-07	7-3-07	10-9-07	11-26-07	2007 Average	4-1-08	2007- 2008Q1 Average
	DBRS	S&P													
A Rated															
CU Inc.	A(high)	A	90	94	97	93	92	93	90	95	115	130	108	157	117
Enbridge Gas	A	A-	100	105	100	96	95	99	98	110	115	130	113	170	125
Enbridge Pipelines	A(high)	A-	100	105	100	96	95	99	98	105	115	130	112	170	124
Gaz Metro	A	A	89	94	99	95	97	95	94	92	115	135	109	172	122
Terasen Gas ^{1/}	A	A	na	na	na	na	na	na	na	122	135	145	134	168	143
TransCanada PipeLines	A	A-	117	120	120	116	115	118	115	130	140	160	136	215	152
Average	A	A-	99	104	103	99	99	101	99	109	123	138	117	175	130
Median	A	A-	100	105	100	96	95	99	98	108	115	133	113	170	124
Split Rated A/BBB															
EPCOR Utilities	A(low)	BBB+	129	132	133	130	135	132	130	136	170	185	155	255	175
Nova Scotia Power	A(low)	BBB	135	140	142	140	138	139	132	136	145	170	146	205	158
Terasen Gas ^{1/}	A	A	129	145	142	130	130	135	119	na	na	na	119	na	119
Union Gas	A	BBB+	118	123	120	114	107	116	109	109	120	150	122	185	135
Westcoast Energy	A(low)	BBB+	123	128	125	120	118	123	119	119	125	155	130	185	141
Average	A(low)	BBB+	127	134	132	127	126	129	122	125	140	165	138	208	145
Median	A(low)	BBB+	129	132	133	130	130	131	119	128	135	163	136	195	141
BBB Rated															
TransAlta	BBB	BBB	162	168	168	162	170	166	170	205	300	325	250	390	278

^{1/} Terasen Gas was upgraded to A by S&P in June 2007 following Terasen's acquisition by Fortis Inc .
Source: RBC Capital Markets

FINANCIAL METRICS
FOR CANADIAN UTILITIES
2004-2006

Company	EBIT Coverage	FFO/ Total Debt	FFO Coverage ^{1/}
Electric Utilities			
AltaLink L.P.	1.8	11.4	3.1
CU Inc.	2.7	18.7	3.6
Enersource	2.1	16.7	3.8
ENMAX Corp.	6.4	46.3	8.1
EPCOR Utilities Inc.	3.0	23.4	4.2
FortisAlberta Inc. ^{2/}	2.3	17.5	3.0
FortisBC Inc. ^{2/}	2.2	10.9	2.8
Hamilton Utilities	3.4	32.0	4.7
Hydro One Inc.	3.2	20.0	4.4
Hydro Ottawa Holding Inc.	2.8	26.1	5.7
Maritime Electric	2.5	12.9	2.6
Newfoundland Power ^{2/}	2.4	14.0	2.9
Nova Scotia Power	2.4	14.2	3.3
Toronto Hydro	2.7	17.5	3.4
Gas Distributors			
Enbridge Gas Distribution	2.1	12.5	3.0
Gaz Metropolitain	2.5	24.0	4.6
Pacific Northern Gas ^{4/}	2.4	26.4	3.2
Terasen Gas	2.0	9.7	2.4
Union Gas ^{3/}	2.1	12.8	2.8
Pipelines			
Enbridge Pipelines ^{3/}	3.3	17.2	3.1
Nova Gas Transmission Ltd. ^{3/}	2.4	18.5	2.8
TransCanada PipeLines Ltd. ^{3/}	2.6	15.7	2.8
Westcoast Energy Inc.	2.1	16.4	3.1
Medians			
Electric T&D	2.7	17.5	3.8
Electric Integrated	2.5	14.2	3.3
All Electric	2.6	17.5	3.5
Gas Distributors	2.1	12.8	3.0
All Companies	2.4	17.2	3.1

^{1/} S&P defines Funds from Operations as follows:

FFO = (income from continuing operations + depreciation & amortization + deferred income taxes – AFUDC).

^{2/} EBIT, EBITDA and Cashflow to total debt for 2004-2006 from DBRS, FFO data for 2003-2005

^{3/} FFO Coverage for 2003-2005

^{4/} All data for 2004-2006 from annual report

Source: Annual Reports to Shareholders, DBRS and Standard and Poor's

DEBT RATINGS AND FINANCIAL METRICS FOR U.S. ELECTRIC UTILITIES

Name	S&P		Average 2004-2006				Average ROE 2004-2006
	Debt Rating	Business Profile	Debt Ratio	EBIT Coverage	FFO/Debt	FFO Coverage	
Alabama Power Co.	A	4	54.3	4.3	22.8	5.6	13.5
Central Hudson Gas & Electric Corp.	A	3	66.3	4.7	16.7	4.3	12.2
Consolidated Edison Co. of New York Inc.	A	2	54.8	2.8	18.7	3.9	10.0
Consolidated Edison Inc.	A	2	57.2	2.6	16.7	3.7	9.2
Duke Energy Carolinas LLC	A-	4	48.0	4.0	28.8	14.9	NA
Duke Energy Corp.	A-	5	48.7	3.2	19.8	3.9	9.9
Duke Energy Indiana Inc.	A-	4	56.7	3.1	17.6	4.6	8.8
Duke Energy Ohio Inc.	A-	5	38.7	4.5	23.2	5.6	11.0
Florida Power & Light Co.	A	4	41.1	5.9	34.1	7.7	11.7
FPL Group Inc.	A	5	51.8	2.7	22.3	4.5	12.4
Georgia Power Co.	A	4	56.0	4.6	22.0	6.1	14.1
Gulf Power Co.	A	4	54.5	3.7	20.9	4.6	12.2
Integrus Energy Group Inc.	A-	5	58.6	3.4	13.8	4.1	12.5
KeySpan Corp.	A-	3	61.8	3.5	16.2	3.9	10.4
Madison Gas & Electric Co.	AA-	4	52.4	4.5	20.4	5.1	10.6
MidAmerican Energy Co.	A-	5	52.4	4.4	26.0	5.8	14.2
MidAmerican Energy Holdings Co.	A-	4	74.9	1.9	11.1	2.5	13.2
Mississippi Power Co.	A	4	63.0	4.2	22.8	10.8	13.9
NSTAR	A+	1	65.4	3.5	22.6	4.9	13.3
NSTAR Electric Co.	A+	1	49.7	5.7	39.4	8.1	13.8
Orange and Rockland Utilities Inc.	A	2	70.8	3.6	16.9	3.9	NA
PacifiCorp	A-	5	59.0	2.5	15.0	3.7	7.0
PPL Electric Utilities Corp.	A-	3	51.0	3.1	26.2	4.9	NA
San Diego Gas & Electric Co.	A	5	54.8	5.0	25.9	6.7	16.3
SCANA Corp.	A-	4	57.6	2.5	22.5	4.2	11.4
South Carolina Electric & Gas Co.	A-	4	50.1	2.6	25.6	5.1	10.3
Southern Co.	A	4	57.0	3.8	22.3	5.3	14.9
Vectren Corp.	A-	4	60.4	2.7	15.9	3.9	10.5
Wisconsin Electric Power Co.	A-	4	52.5	4.8	25.0	6.8	11.8
Wisconsin Power & Light Co.	A-	4	48.1	3.6	31.1	5.9	9.9
Wisconsin Public Service Corp.	A	4	52.3	4.0	22.3	5.4	10.1
Mean	A	4	55.5	3.7	22.1	5.5	11.8
Median	A	4	54.8	3.6	22.3	4.9	11.8

Source: All from S&P: Research Insight; *Issuer Ranking: U.S. Integrated Electric Utility Companies, Strongest to Weakest*, November 1, 2007;
Issuer Ranking: U.S. Natural Gas Distributors and Integrated Gas Companies, Strongest to Weakest, November 9, 2007; and *Credit Stats*, September 2007.

DEBT AND COMMON STOCK QUALITY RATINGS
OF CANADIAN UTILITIES

Company	Debt Rated	DBRS Bond Rating	Moody's Bond Rating	S&P Bond Rating	CBS Stock Ranking
Electric Utilities					
AltaLink L.P.	Senior Secured	A		A-	
CU Inc.	Senior Unsecured	A(high)		A	Very conservative
Enersource	Issuer	A			
ENMAX	Unsecured Debentures (DBRS)	A		A-	
	Issuer (S&P)				
EPCOR Utilities Inc	Senior Unsecured	A(low)	Baa2	BBB+	
FortisAlberta Inc.	Senior Unsecured	A(low)	Baa1		Very conservative
FortisBC Inc	Secured Debentures	BBB(high)	Baa2		Very conservative
Hamilton Utilities	Senior Unsecured			A	
Hydro One	Senior Unsecured	A(high)	Aa3	A	
Hydro Ottawa Holding Inc.	Senior Unsecured	A (low)		A-	
Maritime Electric	Senior Secured			A-	Very conservative
Newfoundland Power	Senior Secured	A	Baa1	NR ^{1/}	Very conservative
Nova Scotia Power	Senior Unsecured	A(low)	Baa1	BBB	Very conservative
Toronto Hydro	Senior Unsecured	A		A-	
Gas Distributors					
Enbridge Gas Distribution	Senior Unsecured	A		A-	Very conservative
Gaz Metropolitain	Senior Secured	A		A	
Pacific Northern Gas	Senior Secured	BBB(low)		NR ^{2/}	Average
Terasen Gas	Senior Secured	A	A2	AA-	Very conservative
	Senior Unsecured	A	A3	A	
Union Gas Limited	Senior Unsecured	A		BBB+	Very conservative
Pipelines					
Enbridge Pipelines	Senior Unsecured	A(high)		A-	Very conservative
NOVA Gas Transmission	Senior Unsecured	A	A2	A-	Very conservative
TransCanada PipeLines	Senior Secured	A		A	Very conservative
	Senior Unsecured	A	A2	A-	
Westcoast Energy	Senior Unsecured	A(low)		BBB+	Very conservative
Medians					
Electric T&D		A	Baa1	A-	Very conservative
Electric Integrated		A(low)	Baa2	BBB+	Very conservative
All Electric		A	Baa1	A-	Very conservative
Gas Distributors		A	A3	A	Very conservative
All Companies		A	Baa1	A-	Very conservative

^{1/} Withdrawn by company; BBB+ prior to withdrawal.

^{2/} Withdrawn by company; BBB- prior to withdrawal.

Note: Debt ratings are for utility; Stock rankings are for parent.

Source: DBRS Bond Ratings, Moodys.com, Standard & Poor's, The Blue Book of CBS Stock Reports.

**CAPITAL STRUCTURE RATIOS
OF CANADIAN UTILITIES
(2006)**

Company	Long-term Debt ^{1/}	Short-Term Debt	Preferred Stock ^{2/}	Common Stock Equity ^{3/}
Electric Utilities				
AltaLink L.P.	62.2	0.0	0.0	37.8
CU Inc.	55.2	2.3	6.2	36.3
Enersource	58.1	0.0	0.0	48.9
ENMAX Corp.	20.1	2.8	0.0	77.1
EPCOR Utilities Inc.	43.7	4.3	6.9	45.0
FortisAlberta Inc.	60.6	0.7	0.0	38.7
FortisBC Inc.	59.5	0.0	0.0	40.5
Hamilton Utilities	36.7	0.0	0.0	63.3
Hydro One Inc.	52.1	0.3	3.2	44.5
Hydro Ottawa Holding Inc.	47.2	0.0	0.0	52.8
Maritime Electric	38.0	21.2	0.0	40.8
Newfoundland Power	54.5	0.1	1.2	44.2
Nova Scotia Power	50.6	0.1	9.4	39.9
Toronto Hydro	57.5	0.0	0.0	42.5
Gas Distributors				
Enbridge Gas Distribution	47.1	17.3	2.1	33.5
Gaz Metropolitain	59.2	1.6	0.0	39.2
Pacific Northern Gas	46.0	3.0	3.0	47.9
Terasen Gas	54.7	8.8	0.0	36.5
Union Gas	63.8	0.0	2.9	33.3
Pipelines				
Enbridge Pipelines	39.3	13.9	0.0	46.7
Nova Gas Transmission Ltd.	57.5	2.5	0.0	39.9
TransCanada PipeLines Ltd. ^{4/}	58.7	2.3	1.9	37.1
Westcoast Energy Inc.	54.5	0.0	5.0	40.5
Medians				
Electric T&D	54.5	0.0	0.0	44.5
Electric Integrated	50.6	2.3	6.2	40.5
All Electric	53.3	0.1	0.0	43.4
Gas Distributors	54.7	3.0	2.1	36.5
All Companies	54.5	0.7	0.0	40.5

1/ Includes current portion of long-term debt and preferred securities classified as debt.

2/ Includes minority interest in preferred shares of subsidiary companies and preferred securities.

3/ Includes minority interest in common shares of subsidiary companies.

4/ Excludes non-recourse debt

Source: Reports to Shareholders

**EQUITY RETURN AWARDS AND CAPITAL STRUCTURES ADOPTED BY
REGULATORY BOARDS FOR CANADIAN UTILITIES
(Percentages)**

	Decision Date	Regulator	Order/ File Number	Debt	Preferred Stock	Common Stock Equity	Equity Return	Forecast 30-Year Bond Yield
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Electric Utilities								
AltaLink	7/04; 11/07	EUB	2004-052; U2007-347	67.00	0.00	33.00	8.75	4.55
ATCO Electric		EUB						
Transmission	7/04; 11/07		2004-052; U2007-347	61.00	6.00	33.00	8.75	4.55
Distribution	7/04; 11/07		2004-052; U2007-347	56.10	6.90	37.00	8.75	4.55
EPCOR		EUB						
Transmission	7/04; 11/07		2004-052; U2007-347	65.00	0.00	35.00	8.75	4.55
Distribution	7/04; 11/07		2004-052; U2007-347	61.00	0.00	39.00	8.75	4.55
FortisAlberta Inc.	7/04; 11/07	EUB	2004-052; U2007-347	63.00	0.00	37.00	8.75	4.55
FortisBC Inc.	3/06; 11/07	BCUC	G-14-06; L-93-07	60.00	0.00	40.00	9.02	4.55
Hydro One Transmission	8/07	OEB	EB-2006-0501	60.00	0.00	40.00	8.35	4.16
Maritime Electric	1/08	IRAC	UE20937	57.31	0.00	42.69	10.00	na
Newfoundland Power	12/07	NLPub	PU32 (2007)	54.01	1.15	44.84	8.95	4.60 ^{1/}
Nova Scotia Power	1/05; 2/07	UARB	2005 NSUARB 27; 2007 NSUARB 8	53.30	9.20	37.50	9.55	na ^{2/}
Northwest Territories Power Corp.	8/07	PUB of NWT	Decision 13-2007	52.26	0.00	48.59 ^{3/}	9.25	4.60
Ontario Electricity Distributors	12/06	OEB	Report of the Board	60.00	0.00	40.00	8.57	4.46 ^{4/}
Yukon Energy	10/05	YUB	OIC 1998/32; Order 2005-12, BCUC G-55-07	60.00	0.00	40.00	9.15	4.55 ^{5/}
Gas Distributors								
ATCO Gas	7/04; 11/07	EUB	2004-052; U2007-347	55.10	6.90	38.00	8.75	4.55
Enbridge Gas Distribution Inc	1/04; 1/07; 2/08	OEB	RP-2002-0158; EB-2006-0034; EB-2007-0615	61.33	2.67	36.00	8.39	4.23
Gaz Metropolitain	10/07	Régie	D-2007-116	54.00	7.50	38.50	9.05	4.78
Pacific Northern Gas	11/07; 5/07	BCUC	L-93-07; G-55-07	56.20	3.80	40.00	9.27	4.55
Terasen Gas	3/06; 11/07	BCUC	G-14-06; L-93-07	65.00	0.00	35.00	8.62	4.55
Union Gas	1/04; 3/04; 5/06	OEB	RP-2002-0158; RP-2003-0063; EB-2005-0520	60.60	3.40	36.00	8.54	4.23
Gas Pipelines								
Alberta Natural Gas	11/07; 2/06	NEB	RH-2-94; TG-02-2006	64.00	0.00	36.00	8.72	4.55
Foothills Pipe Lines (Yukon) Ltd.	11/07; 12/05	NEB	RH-2-94; TG-08-2005	64.00	0.00	36.00	8.72	4.55
TransCanada PipeLines	11/07; 5/07	NEB	RH-2-94/RH-2-2004/TG-06-2007	60.00	0.00	40.00	8.72	4.55
Trans Quebec & Maritimes Pipeline	11/07	NEB	RH-2-94	70.00	0.00	30.00	8.72	4.55
Westcoast Energy	11/07; 12/06	NEB	RH-2-94; TG-05-2006	64.00	0.00	36.00	8.72	4.55

^{1/} The settlement agreement specifying ROE and capital structure was approved by the PUB.

^{2/} A negotiated settlement to be filed with the UARB would implement a fuel adjustment clause and reduce the return on equity to 9.35% if approved.

^{3/} The capital structure of NTPC includes no cost capital (-.85%).

^{4/} The 8.57% ROE is for rates to be in effect as of May 2008. As per the 12/06 Report of the Board, the ROE is to be based on the January 2008 *Consensus Forecasts* and the January 2008 spread.

^{5/} The YUB set YEC's risk premium at the mid-point of the FortisBC risk premium (40bp) and that of PNG (65bp) as established by BCUC G-55-07. By Order in Council, YEC's ROE is then reduced from the "fair return on common equity" by 0.50%.

Source: Board Decisions.

RATES OF RETURN ON COMMON EQUITY ADOPTED BY
REGULATORY BOARDS FOR CANADIAN UTILITIES

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Electric Utilities																			
AltaLink	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.40	9.60	9.50	8.93	8.51	8.75
ATCO Electric	13.50	13.50	13.25	11.88	NA	NA	11.25	1/	1/	1/	1/	1/	1/	9.40	9.60	9.50	8.93	8.51	8.75
FortisAlberta Inc.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.50	9.50	9.60	9.50	8.93	8.51	8.75
FortisBC Inc.	13.50	NA	11.75	11.50	11.00	12.25	11.25	10.50	10.25	9.50	10.00	9.75	9.53	9.82	9.55	9.43	9.20	8.77	9.02
Newfoundland Power	13.95	13.25	NA	NA	NA	NA	11.00	NA	9.25	9.25	9.59	9.59	9.05	9.75	9.75	9.24	9.24	8.60	8.95
Nova Scotia Power	NA	NA	NA	11.75	NA	NA	10.75	NA	NA	NA	NA	NA	10.15	NA	NA	9.55	9.55	9.55	na
Ontario Electricity Distributors	NA	NA	NA	NA	NA	NA	NA	NA	NA	9.35	9.88	9.88	9.88	9.88	9.88	9.88	9.00	9.00	8.57
TransAlta Utilities	13.50	13.50	13.25	11.88	NA	12.25	11.25	1/	2/	9.25	9.25	NA	9.40	NA	NA	NA	NA	NA	na
Mean of Electric Utilities	13.61	13.42	12.75	11.75	11.00	12.25	11.10	10.50	9.75	9.34	9.68	9.74	9.59	9.63	9.66	9.51	9.11	8.78	8.80
Gas Distributors																			
ATCO Gas	13.25	13.25	12.25	12.25	NA	NA	NA	10.50	9.38	NA	NA	9.75	9.75	9.50	9.50	9.50	8.93	8.51	8.75
Enbridge Gas Distribution	13.25	13.13	13.13	12.30	11.60	11.65	11.88	11.50	10.30	9.51	9.73	9.54	9.66	9.69	NA	9.57	8.74	8.39	8.39
Gaz Metro	14.25	14.25	14.00	12.50	12.00	12.00	12.00	11.50	10.75	9.64	9.72	9.60	9.67	9.89	9.45	9.69	8.95	8.73	9.05
Pacific Northern Gas	15.00	14.00	13.25	NA	11.50	12.75	11.75	11.00	10.75	10.00	10.25	10.00	9.88	10.17	9.80	9.68	9.45	9.02	9.27
Terasen Gas	NA	NA	12.25	NA	10.65	12.00	11.00	10.25	10.00	9.25	9.50	9.25	9.13	9.42	9.15	9.03	8.80	8.37	8.62
Union Gas	13.75	13.50	13.50	13.00	12.50	11.75	11.75	11.00	10.44	9.61	9.95	9.95	9.95	9.95	9.62	9.62	9.62	8.54	8.54
Mean of Gas Distributors	13.90	13.63	13.06	12.51	11.65	12.03	11.68	10.96	10.27	9.60	9.83	9.68	9.67	9.77	9.50	9.52	9.08	8.59	8.77
Gas Pipelines (NEB)																			
TransCanada PipeLines	13.25	13.50	13.25	12.25	11.25	12.25	11.25	10.67	10.21	9.58	9.90	9.61	9.53	9.79	9.56	9.46	8.88	8.46	8.72
Westcoast Energy	13.25	13.75	12.50	12.25	11.50	12.25	11.25	10.67	10.21	9.58	9.90	9.61	9.53	9.79	9.56	9.46	8.88	8.46	8.72
Mean of Gas Pipelines	13.25	13.63	12.88	12.25	11.38	12.25	11.25	10.67	10.21	9.58	9.90	9.61	9.53	9.79	9.56	9.46	8.88	8.46	8.72
Mean of All Companies	13.68	13.56	12.94	12.16	11.50	12.13	11.36	10.84	10.15	9.50	9.79	9.68	9.62	9.71	9.59	9.51	9.07	8.66	8.78

^{1/} Negotiated settlement, details not available.

^{2/} Negotiated settlement, implicit ROE made public is 10.5%.

Source: Regulatory Decisions

**COMPARISON BETWEEN ALLOWED RETURNS ON EQUITY
FOR CANADIAN AND U.S. UTILITIES**

Year	Canadian Utilities			U.S. Utilities		
	Allowed ROE ^{1/}	Average Long Canada Yield	Equity Risk Premium	Allowed ROE	Average Long Treasury Yield	Equity Risk Premium
1990	13.68	10.69	2.99	12.69	8.61	4.08
1991	13.56	9.72	3.84	12.51	8.14	4.37
1992	12.94	8.68	4.26	12.06	7.67	4.39
1993	12.16	7.86	4.30	11.37	6.59	4.78
1994	11.50	8.69	2.81	11.34	7.39	3.95
1995	12.13	8.41	3.72	11.51	6.85	4.66
1996	11.36	7.75	3.61	11.29	6.73	4.56
1997	10.84	6.66	4.18	11.34	6.58	4.76
1998	10.15	5.59	4.56	11.59	5.54	6.05
1999	9.50	5.72	3.78	10.74	5.91	4.83
2000	9.79	5.71	4.08	11.41	5.88	5.53
2001	9.68	5.77	3.91	11.04	5.50	5.54
2002	9.62	5.67	3.95	11.10	5.41	5.69
2003	9.71	5.31	4.40	10.98	5.03	5.95
2004	9.59	5.11	4.48	10.73	5.08	5.65
2005	9.51	4.38	5.13	10.50	4.52	5.98
2006	9.07	4.33	4.74	10.39	4.93	5.46
2007	8.66	4.30	4.36	10.30	4.80	5.50
2008q1	8.78	4.10	4.68	10.37	4.35	6.02
Means:						
1990-1993	13.08	9.24	3.85	12.16	7.75	4.41
1994-1998	11.20	7.42	3.78	11.41	6.62	4.80
1999-2007	9.46	5.14	4.31	10.80	5.23	5.57

^{1/} 2008 ROE represents results for the full year.

Note: For U.S. Treasury yields, 30-year maturities used through January 2002; theoretical 30-year yield from February 2002 to January 2005; 30-year maturities February 2002 forward.

Sources: Regulatory Research Associates; www.snl.com; Various Canadian Regulatory Decisions; Bank of Canada; www.federalreserve.gov; www.ustreas.gov.



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LEAD LAG STUDY

A lead lag study has been undertaken by Yukon Electrical to support the working capital allowance calculation in this submission. A summary of the results is as follows:

	<u>Days</u>
Average lag in revenue collection	41.85
Less: average lag in payment of operating expenses	<u>36.43</u>
Net O&M lag days	<u>5.42</u>

To arrive at the net O&M lag days, a review was made of the receipt of revenues (Attachment 2-1) based on a review of the revenues from November 2006 to October 2007. A review was also done for the average lag in payment of operating expenses based on the 2006 expenses (refer to Attachment 2.2).

Updated Revenue Lag

The 41.85 days lag in the receipt of revenue considers the various customer types categorized in Schedule 2. Customer payments were analyzed monthly. The lag days for the collection of revenue is measured from the consumption of power to receipt of cash.

The results were averaged to determine the lag from meter reading to payment. To this payment lag, a 15 day consumption lag was added to allow for the elapsed time from the consumption of power to meter reading. The consumption lag recognizes the monthly average of daily billing cycles.

Yukon Electrical Company Limited
Lead/Lag on Revenues

Revenue Type	Revenue (\$000s)	Lag Days	Weighted Revenue (\$000s)
Residential	14,001	42.83	599,729
Commercial	17,999	41.12	740,128
Street & Sentinel Lighting	814	40.84	33,244
Secondary	1,367	41.89	57,266
Revenues included in Lead/Lag Study	34,181	41.85	1,430,367

Yukon Electrical Company Limited (YECL)
Lead/Lag on Operating Expenses

	Operating Expenses	(Lead)/Lag Days	Weighted Revenue
	(\$000s)		(\$000s)
Salary and wages			
Payments to employees	2,547	30.54	77,790
Miscellaneous	42	30.54	1,283
Deduction payments - CPP, EI	147	30.21	4,441
Deduction payments - WCB	43	30.54	1,313
Deduction payments - Dental/Health	129	30.21	3,897
Overtime and standby	388	45.33	17,589
	<u>3,296</u>	32.26	<u>106,313</u>
Fuel			
Purchases	2,157	47.94	103,412
Purchased Power			
Purchases	23,239	37.68	875,602
Other taxes			
Property taxes	229	2.90	664
	<u>229</u>	2.90	<u>-</u>
			664
Other Operating Expenses			
Insurance	201	(135.90)	(27,316)
Intercompany	200	39.05	7,809
Employee travel and expenses	74	36.77	2,721
Company taxable benefits	-	6.66	-
Other	3,296	36.93	121,717
	<u>3,771</u>		<u>104,931</u>
Operating Expenses included in the Lead Lag Study	32,692	<u>36.43</u>	<u>1,190,921</u>
Items not Included in the Lead/Lag Study			
Other	150		
Total Operating Expenses	<u>32,842</u>		



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Section 9 - Capital Additions

Overview

The capital expenditures and additions included in this application are outlined in Schedule 9 and are:

	Actual 2006	Actual 2007	Test Period 2008	2009
	(\$000)			
Capital expenditures	<u>7,316</u>	<u>7,809</u>	<u>9,560</u>	<u>13,504</u>
Capital additions to rate base	<u>6,872</u>	<u>7,645</u>	<u>9,975</u>	<u>13,544</u>

The capital additions are broken down into the following categories:

New Extensions

Yukon Electrical develops its new extension capital forecast based on discussions with communities, developers, engineering firms, and customers in addition to known areas of development within its service area. Yukon Electrical assesses the ability of the existing infrastructure to accommodate the proposed growth taking into account the specific service requirements of the customer. An estimate is developed for the facilities required for the new extension and inserted into the forecast. In addition, Yukon Electrical considers historical customer additions to account for walk-in customers that inevitably will require service.

Distribution Improvements

Distribution improvement projects fall into four major categories:

1. System Performance Projects – are required to maintain system performance at an acceptable level. This category includes system protection, voltage, current and line clearance projects.



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2. Life Extension Projects – are required to increase the life cycle of the distribution system. This category includes new feeder installations, both overhead and underground.
3. System Replacement Projects – are required to replace distribution system facilities on a planned basis when they have reached the end of their life cycle. This includes replacement of distribution poles, grounds/anchor, re-span/re-conductor, conductor, overhead/underground system and equipment.
4. Forced Projects – are required to correct unplanned system failures and line relocates where customers or government agencies request the relocation of the distribution facilities or where no easements exist.

In addition to the above, Yukon Electrical tracks distribution system problems on an ongoing basis and prepares an analysis that is used in the capital forecast. The priorities for distribution improvements fall into two classifications:

Type A are required to:

- Eliminate safety hazards
- Add new customers
- Improve voltage
- Comply with legislation
- Replace deteriorating facilities

Type B are to

- Reduce adverse effects
- Increase operating efficiency
- Function according to standardized operating practices
- Benefit from long term cost savings

Yukon Electrical reviews outages that may be attributed to system deficiencies. Customer complaints regarding power quality concerns are also considered.

Yukon Electrical reviews the options that are available to correct a problem and seeks engineering input to analyze and determine the most effective way to complete the required work.



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Yukon Electrical works closely with each of its communities and completes much of its work in conjunction with the community's road works program. Working together with the communities has proven to be efficient and cost effective when improvements to the electrical system are required.

Street and Sentinel Lights

Expenditures are required to provide street and private lighting in Yukon Electrical's service area. Streetlights that require replacement due to age and obsolescence are included in this category. All streetlight work is completed in consultation with the communities. The forecast is determined based on known areas of development in the communities, the results of streetlight audits, as well as a review of historic replacement requirements.

Meters

The installation of new meters is required to accommodate load growth associated with customer requests for service. These expenditures allow Yukon Electrical to meet its obligation to provide metered service connections. The capital meter additions are planned based on known areas of development and expected connection requests.

General Plant and Equipment

This portion of the capital forecast provides for replacement of equipment and for the purchase of new equipment required to support the utility's operations. These include tools, office furniture, office computer equipment, communication equipment, transportation equipment and lands and buildings.

Yukon Electrical follows a similar process to that indicated under Distribution Improvements to identify and justify expenditures in this area.



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1 **Generation**

2 Generation assets are continually monitored through power plant inspections and
3 testing. Components are repaired or replaced due to obsolescence or in accordance
4 with manufacturer specifications. The reliability and integrity of the power generation
5 system is a key consideration when critical replacement decisions are being
6 contemplated. Growth from the communities (load), premature failure, safety
7 requirements, community identified needs and environmental regulations can dictate the
8 need for additional generation assets to be put in place.

9 The details of the capital expenditures in excess of \$75,000 for 2006-2010 are
10 discussed in the following pages.



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CAPITAL EXPENDITURE INFORMATION 2006 – 2009

2006 CAPITAL EXPENDITURES

GENERATION PLANTS	\$638,000
• Watson Lake Fuel System Plant fuel systems required updating to current Canadian mandatory standards and codes. Existing fuel systems have single wall piping and if a leak occurs it would continue to flow until the fuel tank is drained. Secondary containment from the tank was installed. Containment in the plants was also installed. If a leak occurred in the plant, or in the lines between the plant and the tank, it would drain into a sump and a valve at the tank would automatically close and shut down the plant. In standby plants the valve at the tank is normally closed to further minimize risk.	\$133,863
• Ross River Fuel Upgrade Plant Improvements Plant fuel systems required updating to current Canadian mandatory standards and codes. Existing fuel systems have single wall piping and if a leak occurs it would continue to flow until the fuel tank is all drained. Secondary containment from the tank was installed. Containment in the plants was also installed. If a leak occurred in the plant, or in the lines between the plant and the tank, it would drain into a sump and a valve at the tank would automatically close and shut down the plant. In standby plants the valve at the tank is normally closed to further minimize risk.	\$99,927
• Teslin Fuel System Plant fuel systems required updating to current Canadian mandatory standards and codes. Existing fuel systems have single wall piping and if a leak occurs it would continue to flow until the fuel tank is all drained. Secondary containment from the tank was installed. Containment in the plants was also installed. If a leak occurred in the plant, or in the lines between the plant and the tank, it would drain into a sump and a valve at the tank would automatically close and shut down the plant. In standby plants the valve at the tank is normally closed to further minimize risk.	\$99,733



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- Carmacks Fuel Upgrade Plant Improvements \$104,184

Plant fuel systems required updating to current Canadian mandatory standards and codes. Existing fuel systems have single wall piping and if a leak occurs it would continue to flow until the fuel tank is all drained. Secondary containment from the tank was installed. Containment in the plants was also installed. If a leak occurred in the plant, or in the lines between the plant and the tank, it would drain into a sump and a valve at the tank would automatically close and shut down the plant. In standby plants the valve at the tank is normally closed to further minimize risk.

Other Projects less than \$75,000 \$200,293

DISTRIBUTION NEW EXTENSIONS \$2,433,000
(Gross of Customer Contribution)

Capital expenditures required for the connection of new residential and commercial customers in Yukon Electrical's service area.

New Extension in excess of \$75,000 include:

- Miscellaneous O/H Services – Various Subdivisions \$76,171
- Miscellaneous U/G Services – Various Subdivisions \$174,622
- Whitehorse Copper Subdivision \$230,687
- Copper Ridge Stage Eleven (Part 2) \$267,269
- Canadian Tire New Building \$92,222
- KFN Copper Joe Subdivision \$145,025
- CoW Service New Motorways Lots \$221,252

Other projects less than \$75,000 \$1,225,752



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DISTRIBUTION IMPROVEMENTS

\$2,858,000

Major improvements in excess of \$75,000 include:

- **Miscellaneous Pole Replacements** **\$105,544**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- **Watson Lake Selective Danger Tree Removal in ROW** **\$115,857**
The old standard clearance of 3m or 5m on either side of a power line has caused problems and often does not allow proper access to facilities. The new standard of 6.1m for single phase and 7.5m for three phase line has proven much better in other areas as well as Yukon. Risks of wild fires and reliability are the main drivers.
- **Annie Lake Road Brushing** **\$92,858**
The old standard clearance of 3m or 5m on either side of a power line has caused problems and often does not allow proper access to facilities. The new standard of 6.1m for single phase and 7.5m for three phase line has proven much better in other areas as well as Yukon. Risks of wild fires and reliability are the main drivers.
- **ROW Widening Carcross** **\$76,834**
The old standard clearance of 3m or 5m on either side of a power line has caused problems and often does not allow proper access to facilities. The new standard of 6.1m for single phase and 7.5m for three phase line has proven much better in other areas as well as Yukon. Risks of wild fires and reliability are the main drivers.
- **NavCanada VOR Line Rebuild, Watson Lake** **\$105,235**
The structures on this line were pre-1969, reaching an age when they should be replaced due to safety and reliability concerns. Line was reconstructed to new design standards on a 7.5m road side R/W.



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- Teslin Sub Transformer Replace All 3 \$145,964
The transformers are of 1950's vintage and are encountering operational problems (winding, leaking) that necessitate their replacement.
- Tagish Road Rebuild \$190,553
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- Takhini River Acres Tie to Whitehorse Distribution \$81,542
The Yukon Energy substation was approaching the point where it was exceeding capacity. It was determined that the most effective solution was to build a distribution source.
- Yukon Electrical First Avenue Conversion \$475,296
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

A new overhead system would have difficulty meeting codes due to the high voltage lines and transformers being too close to roofs, windows, and vents. The city is installing new water and sewer utilities in the area as a part of the First Avenue infrastructure installation. In conjunction with this work, Yukon Electrical is converting a portion of the overhead system to underground in locations the city previously paid to put in the civil infrastructure to allow for an underground conversion.
- Mayo Road Rebuild \$104,324
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

This is a main line so its reliability is critical. Yukon Electrical is also taking this opportunity to upgrade the wire to improve power quality and decrease losses on our system.
- Tummel Road to Vanier Rebuild (Phase I) \$76,837
The 30 year old underground system is reaching the end of its life expectancy. This system was built to the old standard of direct burial



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and radial fed. This increases the likelihood of a mechanical failure of the cable and prolonged outage to a school. Additionally, live front transformers have a much higher risk of exposing linemen to electrical flashovers.

Phase one consisted of purchasing material and installation of some underground ducting.

- U/G Rebuild Justice Center to Whitehorse Star \$456,022

Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

A new overhead system does not meet current electrical codes due to the high voltage lines and transformers being too close to roofs, windows, and vents. The existing alleys have multiple code violations with risers on platforms and transformer banks too close to windows.

- Tutshi Alley Rebuild \$78,041

Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

- Hawkins Alley \$101,787

Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

Other Projects less than \$75,000 \$651,216

STREET AND SENTINEL LIGHTING \$943,000

- CoW Trail Lighting to Rotary Park \$80,761

- CoW Robert Campbell Bridge \$84,559

- CoW First Avenue Streetlights \$444,399

Existing lights are fed from old direct buried underground cables that have failed and/or lights on wood poles that are being removed due to conversion to underground of the area. Lighting levels are not to Rural/Urban Transportation Association of Canada (RTAC) guidelines. Many light davits are old and rusting out.



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- Lambert Street – First to 4th Portion of 4th Avenue \$107,287
Street light davits are rusted to the point where they have holes in them. They also have direct buried wires which have not been reliable in recent years.
- Other Projects less than \$75,000 \$225,994



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2007 CAPITAL EXPENDITURES

GENERATION PLANTS \$476,000

- Haines Junction Generation Upgrade \$116,600
Concrete pads were installed for the fuel tank and for the generator. These were installed to stop them from continuing to sink into the ground. This is stage 1 of work that will continue in 2008.
- Other Projects less than \$75,000 \$359,400

NORTH 60 NEW BILLING SYSTEM \$480,000

- Customer Care and Billing System Conversion \$480,000
The existing customer care and billing system is over 30 years old and is based on an IMS database technology that is no longer economically supportable. In late 2006 and early 2007, Yukon Electrical completed a detailed search and evaluation of various billing solutions. A decision to proceed with ATCO-CIS was made in the first half of 2007 with the implementation phases starting thereafter. The customer care and billing system conversion project is expected to be completed by mid 2008.

DISTRIBUTION NEW EXTENSIONS \$3,106,000 (Gross of Customer Contribution)

Capital expenditures required for the connection of new residential and commercial customers in Yukon Electrical's service area.

New Extension in excess of \$75,000 include:

- Miscellaneous O/H Services – Various Subdivisions \$116,582
- Miscellaneous U/G Services – Various Subdivisions \$146,877
- NVDLP Lot 16 Marwell Subdivision \$582,581
- Raven's Ridge Subdivision \$90,584



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• Marshall Creek Subdivision	\$90,300
• Fox Haven Subdivision	\$82,085
• CoW Service New Motorways Lots Stage 2	\$150,468
• Whitehorse Copper 2007	\$160,454
• 2 nd Avenue and Hawkins Suites	\$95,763
Other projects less than \$75,000	\$1,590,306

DISTRIBUTION IMPROVEMENTS	\$2,070,000

Major improvements in excess of \$75,000 include:

• Miscellaneous Pole Replacements	\$75,918
- Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- | | |
|----------------------------|----------|
| • ROW Widening Teslin Area | \$84,294 |
|----------------------------|----------|
- The old standard clearance of 3m or 5m on either side of a power line has caused problems in the past and often does not allow proper access to facilities. The new standard of 6.1m for single phase and 7.5m for three phase line has proven much better in other areas as well as Yukon. Risks of wild fires and reliability are the main drivers.
- | | |
|--|-----------|
| • 4 th Avenue Klondike Inn to Ogilvie St. | \$650,582 |
|--|-----------|
- Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- A new overhead does not meet current electrical codes due to the high voltage lines and transformers being too close to roofs, windows, and vents. The City is a partner in covering the costs to build underground rather than overhead. For all these reasons Yukon Electrical is converting the overhead system to underground. Yukon Electrical also has old live front transformers which will require re-cabling the primary due to cables being old.



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- Tummel Road to Vanier Rebuild (Phase II) \$85,123

The 30 year old underground system is reaching the end of its life expectancy. This system was built to the old standard of direct burial and radial fed. This increases the likelihood of a mechanical failure of the cable and prolonged outage to a school. Additionally, live front transformers have a much higher risk of exposing linemen to electrical flashovers.

Completed installation of ducting to carry underground cabling. Replacement of live front transformers for dead front units on vaults.
- Grey Mountain Top Cable \$86,739

Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

Ice and wind and snow have caused failures, and extended outages to this critical communication site for systems such as pagers for doctors, radio (emergency communication) and NWTel. Working to repair the system during these extreme weather events is considered unsafe. Access to the site during these times, and often during normal weather, is challenging. Therefore, the overhead poles and wires are to be replaced with an underground system.
- Aishihik Alley Rebuild \$136,228

Overhead power line was installed in the 1960's. All these poles are climbed by all three utilities and are at the point where climbing them is a safety hazard. Rebuilding on the opposite side allows Yukon Electrical to replace the line with minimal outages to customers.
- S170 Substation Protection Upgrade \$97,632

This substation had protection relaying that was obsolete and no longer supported. Past testing has found the relays to be out of calibration. This protection is old electro-mechanical protection that can not track, store, record, or relay load data. This substation is one of the two most critical subs to the Whitehorse area distribution. This standardizes the protection on the 34kv lines and ensures protection operates accurately. Power quality monitoring and improved protection for all feeders was accomplished. Remote control of all the



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breakers was also obtained.

Other Projects less than \$75,000	\$853,484

STREET AND SENTINEL LIGHTING	\$908,000

• YTG Lights Haines Junction	\$155,226
• Whitehorse Copper Subdivision Lighting	\$264,979
• Carcross Corner Light Rebuild/Redesign	\$90,360

Existing lights are fed from old direct buried underground cables that have failed. Lighting levels are not to current RTAC guidelines. Light davits are old and rusting. A number of the lights have been chronic "targets" for drivers.

• Lambert Street Lighting	\$84,304

Street light davits are rusted to the point where they have holes in them. They also have direct buried wires which have not been reliable in the past. Continuation from 2006 work.

• Yukon Electrical Wann Road Streetlights	\$73,099

Existing lights on davits are fed from old direct buried underground cables that have failed. Lighting levels are not to current RTAC guidelines. Light davits are old and rusting out.

Other Projects less than \$75,000	\$240,032

TRANSPORTATION EQUIPMENT	\$513,000

Three significant acquisitions were made in 2007. The ownership and ability to operate Radial Boom Digging units is a critical part of a distribution utilities core service. These machines are required not only to construct new facilities but even more importantly they are needed to respond to emergency power restoration. At anytime of the day, 7 days a week qualified and experienced operators can be called upon to replace damaged poles, transformers and light standards to restore power to customers.



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1. The purchase of unit 780 (used) was beneficial; Yukon Electric acquired a single axle agile Radial Boom Digger (RBD) The unit is better suited to distributions construction, maintenance and power restorations especially in back alleys or confined areas. This unit also provides contingency or redundancy in the event our primary RBD is not in service.
2. The purchase of unit 779 supports Yukon Electrical operations and construction groups in a number of ways. This RBD has a greater lifting, reaching and towing capacity than unit 780. It can therefore be used to transport line material such as poles and transformers to the all reaches of Yukon Electrical service area.
3. To complement unit 779, Yukon Electrical replaced the pole transport trailer with a unit that is compliant with today highway standards. The trailer has a greater pay load capacity due to a tandem dual wheel configuration. It is also capable of hauling extended load more safely. The unit it replaced was a non-engineered trailer built in the late 1970s.

• 2007 Digger & Derrick Unit 779 and 779T and Unit 780	\$370,793
Replaced unit 747 , 1997 GMC ½ ton 210,000KM	
Replaced unit 850 1999 Dodge ¾ ton 195,000KM	
Other Projects less than \$75,000	142,207



The Yukon Electrical Company Limited
An ATCO Company

2008 CAPITAL EXPENDITURES

GENERATION PLANTS	\$1,014,000
Fish Lake Unit 1 Generator Rebuild	\$125,000
Third party inspections recommended that this unit needs to be cleaned and that an electrical arcing noise be addressed. The stator core is becoming delaminated, the bearing needs to be machined, and rotor field poles material is separating. Unit provides capacity on the WAF grid, this generation system helps off-load the most heavily loaded substation and 12.5 and 34 kv lines.	
Pelly Crossing, tie to Grid Source.	\$120,000
Costs to convert generating station from isolated plant to grid connected hot stand by unit for contingency reasons. Purchase and install intertie device called an Oil Synchronizing Switch (OSS), Install automated control system, add building insulation and generator heat. A transmission source is available to Pelly Crossing. Yukon Electrical proposes to interconnect the community and then tie it into the existing electrical system. This will convert the community from diesel to the hydro grid.	
Haines Junction move Unit Breaker, Plant and Transformer	\$91,500
Drivers for this project are: Non-compliant fuel handling system, non standard structure, and need to adjust to current minimum clearance standards. Additionally, an unstable foundation and equipment expose the unit to unnecessary risk of outages and failures. Potential for releases of fuel are also present. Confined space and arc flash risk for employees operating equipment.	
Other Projects less than \$75,000	\$677,500



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NORTH 60 NEW BILLING SYSTEM **\$1,008,000**

- Customer Care and Billing System Conversion **\$1,008,000**

The completion of the Customer Care and Billing System Conversion that was started in 2007.

DISTRIBUTION NEW EXTENSIONS **\$3,141,000**
(Gross of Customer Contribution)

Capital expenditures required for the connection of new residential and commercial customers in Yukon Electrical's service area.

New Extension in excess of \$75,000 include:

- Miscellaneous U/G Services – Various Subdivisions **\$165,000**
 - Land Rights - Distribution **\$90,000**
 - Mountain Air Subdivision **\$382,160**
 - Reeder Tap (Little Atlin RETP) **\$150,000**
 - Narrow Gauge Condo 4th & Strickland **\$98,850**
 - Hamilton Blvd Main Infrastructure Extension **\$300,000**
 - Whitehorse Copper Phase II 2008 **\$225,000**
 - CoW Stan McGowan Subdivision **\$214,925**
 - Ta'an Subdivision Klondike Highway North and Alaska Highway **\$168,590**
 - Selkirk FN Minto Connect **\$350,000**
- Other Projects less than \$75,000 **996,475**



The Yukon Electrical Company Limited
An ATCO Company

DISTRIBUTION IMPROVEMENTS

\$2,967,000

Major improvements in excess of \$75,000 include:

- **Miscellaneous Pole Replacements** **\$146,500**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- **ROW Widening Marsh Lake** **\$110,000**
The old standard clearance of 3m or 5m on either side of a power line has caused problems in the past and often does not allow proper access to facilities. The new standard of 6.1m for single phase and 7.5m for three phase line has proven much better in other areas as well as Yukon. Risks of wild fires and reliability are the main drivers.
- **Carcross Km 129-131.5 Hwy 2 (south of Annie Lake Rd.)** **\$150,000**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

This section is cross country and not accessible during wind, ice and snow storms. Line is being relocated to road allowance for ease of access, trouble shooting and restoration. This has been a trouble area in the past.
- **Pelly Crossing Tie to YEC Grid** **\$140,000**
Task is to construct approximately 1km of 3 phase 25 kV distribution line from a transmission source to the community of Pelly Crossing and construct a step down transformer bank to match the community distribution voltage. (25 kV to 2.4 kV) This system will remove the community from diesel generation.
- **Tagish Road Rebuild in front of Tagish Estates** **\$180,000**
Poles are very old, some are anchored to trees. Rebuilding on the opposite side of the road will allow Yukon Electrical to pre-build the job and minimize the outages to the customers. Yukon Electrical will change poles and associated hardware while rebuilding. Wire is small and is an issue when frost build up is significant. New design will remove frost issues by building to Yukon Electrical heavy loading standards.



The Yukon Electrical Company Limited
An ATCO Company

- Marsh Lake 9L Reliability Fix Phase 1 Squanga \$180,000

This line has numerous outages when frost builds up on the line. This is due to wires coming into contact with each other during winter/spring conditions. This is most likely to occur in places where the wires are above one another. Therefore vertical corners need to be tightened, removed by straightening the line or replaced with flat corners. This line will be upgraded to Yukon Electrical heavy loading standards.
- Cadet Camp Convert to Three-Phase \$85,000

Existing line is constructed across country and difficult terrain to patrol for trouble-shooting and maintenance. Cadet camp requires three-phase power. If the cadet camp line was moved to the road it could feed the nearby subdivision and the camp. This would allow Yukon Electrical better flexibility to balance load and reduce highway crossings. The existing single-phase line is old and rather than rebuilding the entire line in the same place we can rebuild it as three-phase in an accessible location.
- Yukon Electrical Tie Between 1st and 6th Avenues \$400,000

This existing 2/0 ACSR line is a main tie between two lines from two different substations that feed a large part of downtown. Age of poles and Yukon Electrical being unable to replace overhead lines with overhead lines in this area require Yukon Electrical to replace it with underground cables. Due to the critical nature of this line, and to ensure optimal operating flexibility, Yukon Electrical will replace the line with a 600 Amp tie line.
- Pelly Crescent to Grey Mountain H Frames \$200,000

Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.

This line feeds critical communication infrastructure for the phone company, the hospital, and radio stations.



The Yukon Electrical Company Limited
An ATCO Company

• Ketza Court Replace Live Front Transformers	\$175,000
Underground cable is old and direct buried. The risers and stress cones are tape type. Transformers are radial fed live-front transformers. This cable and system have reached the end of their useful life. Replace old underground system with new system in ducts with proper vaults under transformers. Rebuild from risers to transformers.	
• Crestview – Squanga Rebuild Hybrid	\$140,000
The power line has reached the end of its useful life. Brushing is difficult to do in this area. For this reason, Yukon Electrical has designed an underground primary and overhead secondary design. This allows Yukon Electrical to not change the customers' service drops and entrances. It will allow Yukon Electrical to reduce long term brushing requirements.	
Other Projects less than \$75,000	\$1,060,500
STREET AND SENTINEL LIGHTING	\$506,000
• CoW Hamilton Blvd. Extension Lighting	\$200,000
• Pine Street Whitehorse	\$106,000
Existing lights on davits are fed from old direct buried underground cables that have failed. Lighting levels are not to current RTAC guidelines. Light davits are old and rusting out. Replace old lights and light spacing with proper light spacing and 250W heads for RTAC lighting levels.	
• ALSEK/Highland Area	\$100,000
Existing lights on davits are fed from old direct buried underground cables that have failed. Lighting levels are not to current RTAC guidelines. Light davits are old and rusting out. Replace old lights and light spacing with proper light spacing and 250W heads for RTAC lighting levels.	
Other Projects less than \$75,000	\$100,000



The Yukon Electrical Company Limited
An **ATCO** Company

METERS **\$330,000**

- AMR Installation **\$330,000**

This is the first phase of a project to convert approximately 13,200 conventional meters to AMR. Now that a sister company (ATCO Electric) has converted approximately 178,000 meters to AMR in Alberta over the past 12 years; it would be beneficial for Yukon Electrical to draw on their expertise and consider implementing AMR to increase operational efficiency and move toward other features and benefits of this AMR technology.

COMMUNICATION EQUIPMENT **\$102,000**

- NorthwesTel Telephone Isolation/Protection Upgrade **\$102,000**

When Yukon Electrical experiences a fault on its power system the ground potential can rise. This high voltage would be put onto NWTel's ground/neutral and could cause safety concerns and potential equipment damage. Yukon Electrical is installing a non conductive link between the two systems so voltage (shock) issues will be eliminated.



The Yukon Electrical Company Limited
An ATCO Company

2009 CAPITAL EXPENDITURES

GENERATION PLANTS

\$3,124,000

- Fish Lake Weir in Ditch #3 or Gate

\$150,000

Re-establish a diversion structure to divert water from Ditch #3 directly to Franklin Lake. This is required to minimize the risk of flooding, breaching Ditch #3, etc. As a requirement of Yukon Electrical's 2007 Dam Safety Review, Yukon Electrical is required to fully open the gate at Fish Lake if the water level reaches 30.0m due to high water conditions. If the gate is fully opened when Bonus Creek is flowing strongly there is a significant risk of washing out Ditch #3 onto a Kwanlin Dun First Nations land selection.

In addition, when there is excessive water going through Ditch #3 there is potential for water to spill out the back of Louise Lake onto First Nations Land and back to Franklin Lake. This not only floods Kwanlin Dun Land, it floods a road. This would allow the water to flow directly into Franklin Lake.

- Fish Lake Unit #2 New Wheel, Shaft and Bearing Pedestal

\$130,000

Inspections by third parties have strongly recommended that this unit needs to be replaced due to long term wear and tear. Holes in the turbine could lead to catastrophic failure. The unit runs continuously and has been doing so for decades. Unit provides capacity on the WAF grid, this generation system helps off-load the most heavily loaded substation and 12.5 and 34 kV lines



The Yukon Electrical Company Limited
An ATCO Company

- Carcross New 1.5 MW Power Plant (per Yukon Energy Resource Plan) \$2,000,000

It has been determined that communities over 1MW should have local generation to serve them if the grid should stop serving the community in accordance with the YUB approved Yukon Energy 20 year resource plan. Carcross and Tagish are fed off the same 25kv substation. The peak load in the 2007 winter was close to the 1MW threshold. Yukon Electrical plans to install a generator in or near the Carcross substation. This generator would be 1.5 MW or larger due to the fact that this size is similar to other communities' generators and it could act as a spare if Yukon Electrical were to lose a significant part of our largest isolated community (Watson Lake). The self contained generator and breaker and the step up transformer would be mounted on skids so they could easily be moved as part of a contingency.

- Destruction Bay Programmable Logic Controllers Upgrade to GE Fanuc \$77,000

Existing PLCs are obsolete, parts and technical support have become difficult to obtain

Therefore, it is recommended that Yukon Electrical change out to our new standard. Many of the existing plants were converted to GE PLCs over 10 years ago and Yukon Electrical would like to continue to utilize this standard. PLCs are the devices that control generating stations remotely and automatically.

- Old Crow Pad for New Unit \$100,000

A future 500 kW unit in Old Crow is forecast. Old Crow does not have the 110% back up if the largest unit is out of service. This is a minimum requirement for Yukon Isolated Communities. The logical replacement size is 500 kW and this unit will not fit into the existing building. A modular unit is recommended.

Therefore a pad will be constructed ahead a time due to short construction season and very limited resources and equipment in this community.



The Yukon Electrical Company Limited
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- Old Crow Design PLC Replacement \$77,000

Existing PLCs are obsolete, parts and technical support have become difficult to obtain

Therefore, it is recommended that Yukon Electrical change out to our new standard. Many of the existing plants were converted to GE PLCs over 10 years ago and Yukon Electrical would like to continue to utilize this standard. PLCs are the devices that control generating stations remotely and automatically.

With the future addition of a new separate generator control for the new unit and the remaining plant having to be heavily modified anyway. Expansion of the existing PLC system would be very difficult and costly based on its vintage.

Other projects less than \$75,000. \$590,000

DISTRIBUTION NEW EXTENSIONS \$2,962,000
(Gross of Customer Contribution)

Capital expenditures that are required for the connection of new residential and commercial customers in Yukon Electrical's service area.

New Extension in excess of \$75,000 include:

- Miscellaneous O/H Services – Various Subdivisions \$95,167
- Miscellaneous U/G Services – Various Subdivisions \$219,615
- Land Rights - Distribution \$90,000
- Whistle Bend Subdivision \$190,000
- Arkell Infill \$650,000

Other Projects less than \$75,000 \$1,717,218



The Yukon Electrical Company Limited
An ATCO Company

DISTRIBUTION IMPROVEMENTS

\$2,532,000

Major improvements in excess of \$75,000 include:

- **Miscellaneous Pole Replacements** **\$160,500**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- **Carcross Relocate 34 kV Stage 2** **\$150,000**
Change poles and take the opportunity to move the line to the road side to reduce brushing and provide more suitable access for maintenance, troubleshooting and outage restoration.
- **Carmacks One Phase Line by Heli Pad on Highway** **\$75,000**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.
- **Tagish Section to Taku 2.5 km** **\$200,000**
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns. Rebuilding on the opposite side of the road will allow Yukon Electrical to prebuild the job and minimize the outages to the customers. Yukon Electrical will change poles and associated hardware while rebuilding. New line would be built to Yukon Electrical heavy loading standard.
- **Marsh Lake 9L Reliability Fix Phase II, Squanga-Teslin** **\$180,000**
This line has numerous outages when frost builds up on the line. This is likely due to wires slapping together when one or more wires lose their snow. This is most likely to occur in places where the wires are above one another. Therefore, vertical corners need to be tightened, removed by straightening the line or replaced with flat corners. New line would be built to Yukon Electrical heavy loading standard.
- **Hillcrest Conversion** **\$250,000**
The Hillcrest distribution system has reached the end of its life and is in need of repair. Access to maintain and repair the existing system is difficult due to the existing location of the line. The plan is to convert the distribution system in Hillcrest from 12.5 kV to 25 kV.



The Yukon Electrical Company Limited
An ATCO Company

• Yukon Electrical System Upgrade Lot 1378/79 Range Rd.	\$184,000
Establishing a loop to eliminate a radial feed to a number of existing customers. This infrastructure will also support the Mountain Air Estates planned subdivision at no additional cost to rate payers	
• Lambert Street – DQ Alley	\$300,000
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns. A new overhead system would not be able to meet code due to the high voltage lines and transformers being too close to roofs, windows and vents. Therefore, Yukon Electrical has to convert the overhead lines to an underground system.	
• Teslin – Klondike Alley	\$200,000
Certain poles, generally of the pre-1969 vintage, are reaching an age when they have to be replaced, due to safety and reliability concerns.	
Other Projects less than \$75,000	\$832,500
STREET AND SENTINEL LIGHTING	\$495,000
• Miscellaneous Projects	\$230,000
Street light davits are rusted to the point where they have holes in them. Many have direct buried wires which have not been reliable in the past. Steel davits would be replaced with galvanized davits. Underground cables would be replaced with wire in conduit to ensure better protection of the wire and easier replacement if a failure should occur.	
• Mountainview/Other	\$250,000
Existing lights on davits are fed from old direct buried underground cables that have failed. Lighting levels are not to current RTAC guidelines. Light davits are old and rusting out. Lights are on a major road and are within a school zone. Replace old lights and light spacing with proper light spacing and 250W heads for current RTAC lighting levels.	
Other Projects less than \$75,000	\$15,000



The Yukon Electrical Company Limited
An ATCO Company

METERS **\$3,855,000**

- AMR Installation **\$3,855,000**

This project is to convert approximately 13,200 conventional meters to AMR. Now that a sister company (ATCO Electric) has converted approximately 178,000 meters to AMR in Alberta over the past 12 years, it would be beneficial for Yukon Electrical to draw on their expertise and consider implementing AMR to increase operational efficiency and move toward other features and benefits of this AMR technology.

TRANSPORTATION EQUIPMENT **\$230,000**

- New Forklift **\$100,000**

It has become more evident over time that the mobility, capacity and reach of the current machine is not adequate. One of the more challenging aspects of using this machine is its lack of traction in the yard. In winter conditions the machine is often stuck and unable to maneuver loads around the yard. It will be replaced with a unit with a larger lifting capacity and 4-wheel drive. In 2009, the current machine will be 15 years old.

- Replace 956 1 Ton **\$80,000**

This specific unit is unique; it is assigned to the construction crew and accompanies the Radial Boom Digger often. It is designed to haul larger loads for construction purposes and is equipped with a small boom and generator for handling poles and transformers during the hardwiring process. It will have a diesel engine due to type of operating conditions.

Other Projects less than \$75,000 **\$50,000**



The Yukon Electrical Company Limited
An **ATCO** Company

LANDS AND BUILDINGS

\$181,000

- Old Crow Bunkhouse Fixes

\$150,000

Due to the remote location, operational and construction staff are required to stay for extended periods of time in the community. The community does not have a hotel or bed and breakfast. Furthermore, due to the nature of Yukon Electrical's business, it is important that if service personnel are responding to trouble calls in the area they have a place to gather and overnight. The current accommodations are a portable trailer type unit that is in excess of 25 years old. The current facility is in dire need of repair and upgrading to meet current legislation. Replacement costs include air transportation of a prefabricated dwelling.

Other Projects under \$75,000

\$31,000

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Plant Additions
(\$000s)

Schedule 9

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Work in progress, beginning of year		427	871	1,035	620
2	Generation:					
3	Generating Plants		638	476	1,014	3,124
4			638	476	1,014	3,124
5	Billing:					
6	New N60 Billing Systems		-	480	1,008	-
7			-	480	1,008	-
8	Distribution:					
9	New Extensions		2,433	3,106	3,141	2,962
10	Distribution Improvements		2,858	2,070	2,967	2,532
11	Street and Sentinel Lights		943	908	506	495
12	Meters		77	37	330	3,855
13	Transformers and Regulators		-	20		
14			6,311	6,141	6,943	9,843
15	General property and equipment:					
16	Tools, Instruments & Equipment		55	48	50	57
17	Office Furniture & Equipment		6	10	13	10
18	Office Computer Equipment		3	0	6	5
19	Communication Equipment		9	57	102	54
20	Transportation Equipment		158	513	205	230
21	Land and Buildings		136	84	219	181
22			367	712	595	537
23	Miscellaneous Other		-	-	-	-
24	Total capital expenditures		7,316	7,809	9,560	13,504
25	Less: Transfers to rate base	S.8.6 L.3	(6,872)	(7,645)	(9,975)	(13,544)
26	Work in progress, end of year	S.8.5 L.5	871	1,035	620	580



THE YUKON ELECTRICAL COMPANY LIMITED

An **ATCO** Company

Section 10 - Income Tax

Overview

The income tax expense included in the application is outlined in Schedule 10.1 and is as follows:

	2006 Actual	2007 Actual	Test Period 2008 2009	
			(\$000)	
Income Tax Expense	<u>1.034</u>	<u>855</u>	<u>421</u>	<u>1.060</u>

Yukon Electrical continues to use the flow through method in calculating the income tax expense. Under the flow through method, Yukon Electrical calculates the income tax expense based on taxable income which is minimized by claiming the maximum of all available deductions including capital cost allowances. Yukon Electrical also does not book future taxes under this methodology.

The decrease in income tax expense between 2006 and 2007 is mainly due to tax deductions associated with the plant maintenance costs as well as the Fish Lake Water License costs. The decrease in income tax expense between 2007 and 2008 is mainly due to taking a tax deduction for stock handling charges as well as increased CCA. The increase in income tax expense between 2008 and 2009 is mainly due to lower deductible rate case expenditures as well as increased earnings before tax as a result of increased rate base.

1 **Tax Rate Deferral Account**

- 2 Income taxes forecast by Yukon Electrical in this application are based on the following
3 Federal and Territorial enacted rates:

	Test Period	
	2008	2009
Federal Income Tax	19.5%	19%
Territorial Income Tax	15.0%	15%
	<u>34.5%</u>	<u>34%</u>

- 4 As there is potential for these tax rates to change, Yukon Electrical is seeking approval
5 for a deferral account. Any changes from these rates will be used to determine an
6 updated revenue requirement. This updated revenue requirement will be compared to
7 the final Board approved revenue requirement for the year in question and any
8 difference will be either refunded to or collected from customers.

Yukon Electrical Company Limited
2008 - 2009 General Rate Application
Income Tax Expense
(\$000s)

Schedule 10.1

Line No.	Description	Cross Ref.	Actual 2006	Actual 2007	Test Period 2008	Test Period 2009
1	Utility earnings before tax		2,845	2,703	2,298	3,260
2	Add:					
3	Depreciation	S.1.1 L.12	3,901	4,171	4,365	4,837
4	Amortization of contributions	S.1.1 L.13	(1,008)	(1,092)	(963)	(1,028)
5	Non-allowable expenses		18	18	18	18
6	Plant Maintenance write-off	S.8.8 L.26	-	108	123	123
7	Rate case write-off	S.8.8 L.18	-	-	375	375
8	Injuries & Damages write-off	S.8.4 L.27	75	75	86	86
9	Fish Lake Water License write-off	S.8.8 L.35	-	79	154	154
10	Charges to deferred pension & OPEB	S.8.4 L.13 + L.20	132	623	639	689
11	Sub-total		<u>3,118</u>	<u>3,982</u>	<u>4,797</u>	<u>5,253</u>
12						
13	Deduct:					
14	CCA		2,259	2,518	3,528	3,960
15	Plant Maintenance Reserve Charges	S.8.8 L.25	-	538	60	-
16	Rate Case Expenditure	S.8.8 L.17	-	30	720	-
17	Injuries & Damages Costs	S.8.4 L.28	51	73	60	60
18	Fish Lake Water License Costs	S.8.8 L.34	-	237	150	-
19	Pension & OPEB payments	S.8.4 L.14 + L.21	39	576	639	689
20	Inventory Pool Costs Capitalized		-	-	358	376
21	Cumulative Eligible Capital		12	11	10	9
22	ES&G		348	334	350	350
23	Sub-total		<u>2,709</u>	<u>4,317</u>	<u>5,875</u>	<u>5,444</u>
24						
25	Taxable income		3,254	2,368	1,220	3,070
26	Tax rate		<u>36.00%</u>	<u>36.00%</u>	<u>34.50%</u>	<u>34.00%</u>
27	Income tax		1,171	852	421	1,044
28	Surtax		36	27	-	-
29	Prior & current years' book to filing overprovision		(174)	(24)	-	-
30	Total current provision	S.1.1 L.16	<u>1,034</u>	<u>855</u>	<u>421</u>	<u>1,044</u>
31						



Section 11 – Interim Refundable Rate Riders

Yukon Electrical is proposing to collect the differential between the revenue generated from existing rates and the proposed 2008 Revenue Requirement (less the former fuel rider amount which will now be in base rates) amounting to \$2,219,933 (please refer to Schedule 11.1), by introducing an Interim Refundable Rate Rider, Rider R, and by using the Temporary Refund / Surcharge Rider, Rider G. These riders would be applied to all retail customer bills, excluding Secondary Energy Rate 32 and Industrial Primary Rate 39, to collect the revenue shortfall on an interim refundable basis.

The Interim Refundable Rate Rider, Rider R, will collect \$1,096,489 of the \$2,219,933 shortfall at a rate of 5.924% of base primary rates on a going forward basis, commencing July 1, 2008. The remaining \$1,123,444 shortfall, as a result of the timing of this application, will be collected using the Temporary Refund / Surcharge Rider, Rider G, of 2.987% applied to existing primary base rates over 12-months beginning July 1, 2008.

Please refer to Schedule 11.1 for the derivation of the above riders.

The impact of these riders on customer costs has been calculated. An average monthly sale of 800 kWh has been used for a sample residential customer, and 1000 kWh and 5 kW demand for a sample commercial customer. Dollar amounts reported include all riders and taxes. The results are shown in the following table:

Table 1: Cost Impact to Non-Government Customers

Customer Group	Cost Increase/(Decrease)	Percent Increase
Residential using 800 kWh/month	\$8.49	7.2%
Commercial using 1000 kWh at 5 kW/month	\$10.58	7.2%

Yukon Electrical Company Limited (YECL)
2008 - 2009 General Rate Application
Interim Rates (Rider R) & Revenue Shortfall (Rider G) Calculations

Schedule 11.1

Line No.	Description	Cross Ref.	
1	Revenues		
2	2008 Retail revenues on Existing Rates (\$ 000's)	S.2.1 L.45	39,970
3	Less: Fuel Cost in Existing base rates (\$000s)		2,054
4	Sub-total (\$000s)	(2)-(3)	37,916
5			
6	2008 Retail revenues on Proposed Rates (\$ 000's)	S.2.1 L.45	45,850
7	Less: Fuel Cost (\$000s)	S.4.1 L.4	5,715
8	Sub-total (\$000s)	(6)-(7)	40,135
9			
10	Non-Fuel Revenue Shortfall (\$ 000's)	(8)-(4)	2,220
11			
12	YECL 2008 Retail revenues on Existing Primary Rates (\$000s)	S.2.1 L.24	33,677
13	YEC 2008 Retail revenues on Existing Primary Rates (\$000s) ¹	S.11.2 L.14	3,795
14	Total 2008 Retail revenues on Existing Primary Rates (\$000s)	(12)+(13)	37,471
15	2008 Rider R (%) Interim Rate Rider	(10)/(14)*100	5.924%
16			
17			
18	2008 Retail Revenues on Existing Primary Rates (\$000s)		
19	YECL - Jan to Jun		17,101
20	YEC - Jan to Jun ¹	S.11.2 L.2-7	1,864
21	Total Retail Revenues on Existing Primary Rates (\$000s)	(19)+(20)	18,964
22	Interim Rider Shortfall Revenue (\$ 000's) - Jan to Jun 2008	(21)*(15)	1,123
23			
24	Retail Revenues on Existing Primary Rates (\$000s)		
25	YECL 2008 Revenue (\$ 000's) - Jul to Dec		16,576
26	YECL 2009 Revenue (\$ 000's) - Jan to Jun		17,236
27	YEC 2008 Revenue (\$ 000's) - Jul to Dec ¹	S.11.2 L.8-13	1,931
28	YEC 2009 Revenue (\$ 000's) - Jan to Jun ¹	S.11.2 L.15-20	1,871
29	Retail Revenues for period which shortfall revenue is to be collected	(25)+(26)+(27)+(28)	37,613
30			
31	2008 Rider G (%) Revenue Shortfall Rider	(22)/(29)*100	2.987%

(1) Excludes revenues from Rate Schedule 39 (Industrial Primary) based on provision of Yukon Territorial Government Order-In-Council (OIC) 2007/94

Schedule 11.2

**Yukon Energy Corporation (YEC)
2008 - 2009 Firm Retail Sales and Revenue Forecast (Excluding Rate 39)**

Line No.	Description						
		Firm Retail	YEC Rate	Firm less	Revenue	YEC Rate	Firm less
	Month/Yr	Sales (MWh)	39 (Minto) MWh	Rate 39 MWh	\$000s	39 (Minto) \$000s	Rate 39 \$000s
1							
2	Jan-08	2,665	-	2,665	343	0	343
3	Feb-08	2,415	-	2,415	312	0	312
4	Mar-08	2,371	-	2,371	307	0	307
5	Apr-08	2,259	-	2,259	293	0	293
6	May-08	2,124	-	2,124	277	0	277
7	Jun-08	2,540	-	2,540	333	0	333
8	Jul-08	2,797	-	2,797	368	0	368
9	Aug-08	2,694	-	2,694	354	0	354
10	Sep-08	2,541	-	2,541	333	0	333
11	Oct-08	5,126	3,000	2,126	576	300	276
12	Nov-08	4,687	2,500	2,187	533	250	283
13	Dec-08	4,960	2,500	2,460	567	250	317
14	Total 2008	37,179	8,000	29,179	4,595	800	3,795
15	Jan-09	4,704	2,000	2,704	548	200	348
16	Feb-09	4,413	2,000	2,413	511	200	311
17	Mar-09	5,438	3,000	2,438	615	300	315
18	Apr-09	5,281	3,000	2,281	595	300	295
19	May-09	5,159	3,000	2,159	581	300	281
20	Jun-09	5,448	3,000	2,448	620	300	320
21	Jul-09	5,532	3,000	2,532	632	300	332
22	Aug-09	5,422	3,000	2,422	618	300	318
23	Sep-09	5,578	3,000	2,578	638	300	338
24	Oct-09	5,157	3,000	2,157	580	300	280
25	Nov-09	4,212	2,000	2,212	486	200	286
26	Dec-09	4,530	2,000	2,530	526	200	326
27	Total 2009	60,874	32,000	28,874	6,950	3,200	3,750