



## **YUKON ENERGY CORPORATION**

2023/24 GENERAL RATE APPLICATION  
COMPLIANCE FILING  
INTERROGATORY RESPONSES FILED

August 29, 2024

1 **REFERENCE: YEC 2023-2024 GRA Compliance Filing, Section 2.4.1 –**  
2 **Depreciation Expense, PDF pages 31-35;**

3  
4 **ISSUE: YEC updates to 2023-2024 depreciation expense**

5  
6 **QUOTE** As reviewed in Appendix 1.1, Tables 1.1-2a, 1.1-2b, 1.1-3a and 1.1-3b,  
7 the depreciation and amortization expenses are changed due to the  
8 following:

- 9
- 10 • The net increase in depreciation and amortization expense of  
11 \$0.872 million for 2023:
    - 12 ○ In paragraph 310, the Board noted that it considers that the  
13 \$8.784 million costs for Southern Lakes Enhanced Storage  
14 (SLESP) project “should have been capitalized into YEC’s rate  
15 base in November of 2022” with “approximately two months of  
16 amortization expense recorded in that year.” Accordingly, for  
17 the Compliance Filing, YEC has revised the capitalization date  
18 for the SLESP from 2023 to 2022 with two-month annual  
19 amortization for 2022 [no impact to the amortization expense for  
20 the 2023 and 2024 test years, but impacts rate base amount]  
21 and added annual amortization expense for the 2023 test year  
22 [the Application only included amortization starting from 2024].  
23 This increased amortization expense for 2023 by \$0.878 million.
    - 24 ○ In Directive 12 (paragraph 227), the Board disallowed AFUDC  
25 amounts for WH2 Uprate, WH4 Servomotor and EAM projects  
26 after 2021. Accordingly, the Compliance Filing reflects \$0.229  
27 million in disallowed AFUDC cost for these projects [\$0.175  
28 million for WH2 Uprate, \$0.019 million for WH4 Servomotor and  
29 \$0.042 million for EAM] with annual disallowed depreciation of  
30 about \$0.07 million.
    - 31 ○ An adjustment of \$0.057 million as noted above to correct  
32 YEC’s depreciation for three asset classes.
  - 33 • The net decrease in depreciation and amortization expense of  
34 \$0.388 million for 2024:
    - 35 ○ Fixed asset depreciation reduction of \$0.288 million.
      - 36 ▪ The reduction in fixed asset depreciation reflects the delay  
37 in in-service dates for the projects IPP Connections  
(Directive 14, paragraph 256), Whitehorse Stoplog Crane

1 Replacement (paragraphs 245 and 249), MH0 Road & Road  
2 Slope Stability (paragraphs 245 and 249), Schwatka Lake  
3 Safety/Debris Boom (paragraphs 245 and 249) and P&C:  
4 S250 Callison Protection, Control and SCADA Upgrade  
5 (paragraphs 245 and 249), offset by an increase in  
6 depreciation of Mayo Mobile Diesel Genset due to an  
7 increase in cost (paragraphs 245 and 249).

- 8 ○ Customer contribution amortization reduction of \$0.156 million.
  - 9 ■ The reduction reflects the update for contributions related to  
10 IPP Connections (Directive 14, paragraph 256).
- 11 ○ Deferred cost amortization reduction of \$0.249 million. Yukon  
12 Energy Corporation 2023/24 General Rate Application August  
13 5, 2024 Order 2024-05 Compliance Filing Page 2-8 Section 2
  - 14 ■ The change relates to the Aishihik 5-Year License Renewal  
15 update [paragraphs 245 and 249], and amortization related  
16 to the removed deferred projects: Digital Strategy and Policy  
17 Development, Privacy Management Program, Vegetation  
18 Management Plan Update and Public Safety Plans  
19 (Directive 21, paragraph 343).
- 20 ○ Annual disallowed depreciation of about \$0.07 million as noted  
21 above.
- 22 ○ An adjustment of \$0.069 million as noted above to correct  
23 YEC's depreciation for four asset classes.

24 **QUESTION:**

- 25
- 26 a) Please refer to YEC's statement found on PDF page 34 of its Compliance Filing  
27 that it revised "the capitalization date for the SLESP from 2023 to 2022 with two-  
28 month annual amortization for 2022 [**no impact to the amortization expense for**  
29 **the 2023** and 2024 test years, but impacts rate base amount] and **added annual**  
30 **amortization expense for the 2023 test year** [the Application only included  
31 amortization starting from 2024]. This increased amortization expense for 2023 by  
32 \$0.878 million." As these two statements appear inconsistent, please clarify  
33 whether there **was** an increase to the amortization expense for 2023 in the amount  
34 of \$0.878 million.
- 35
- 36 b) Please refer to YEC's statement found on PDF page 34 of its Compliance Filing  
37 that "the Compliance Filing reflects \$0.229 million in disallowed AFUDC cost for

1 these projects [\$0.175 million for WH2 Uprate, \$0.019 million for WH4 Servomotor  
2 and \$0.042 million for EAM] with annual disallowed depreciation of about \$0.07  
3 million.”

4  
5 Please confirm that the amount of disallowed AFUDC costs is the amount of  
6 \$0.236 million, being the sum of \$0.175 million for WH2 Uprate, \$0.019 million for  
7 WH4 Servomotor and \$0.042 million for EAM rather than \$0.229 million as  
8 indicated by YEC.

9  
10 If confirmed, please clarify whether any correction to YEC’s revenue requirement  
11 schedules is required. If a correction is required, please provide revised schedules.

12  
13 Please also confirm if the reduction to depreciation expense related to the  
14 disallowed AFUDC is \$0.070 million for each of 2023 and 2024 is indicated on PDF  
15 pages 34-45 of YEC’s application, or \$0.007 million as indicated in YEC’s GRA  
16 Compliance Filing Summary Tables on Table 1.1-2a – 2023 and Table 1.1-2b –  
17 2024. If a change is required, please provide revised schedules.

18  
19 c) Please refer to YEC’s statement found on PDF pages 34 of its Compliance Filing  
20 in respect of the “Customer contribution amortization reduction of \$0.156 million.”

21  
22 Please confirm that the \$0.156 million reduction to customer contribution  
23 amortization noted by YEC has the effect of increasing YEC’s 2024 depreciation  
24 expense and has been treated as such in its revenue requirement.

25  
26  
27 **ANSWER:**

28  
29 **(a)**

30  
31 There is an increase in the 2023 amortization expense by \$0.878 million as noted in the  
32 second part of the reference taken from the Compliance Filing.

33  
34 The first highlighted wording in the statement referenced in the question, “the capitalization  
35 date for the SLESP from 2023 to 2022 with two-month annual amortization for 2022 [**no**  
36 **impact to the amortization expense for the 2023** and 2024 test years, but impacts rate  
37 base amount]”, was referring specifically to the calculated amortization for two months of

1 2022 having no impact to the final Compliance Filing 2023 and 2024 amortization  
2 expenses at \$0.878 million in each test year [as 2022 is not a test year, YEC did not add  
3 the amortization true-up for these two months to the amortization expenses for the 2023  
4 or 2024 test years].

5  
6 The second highlighted wording in the statement referenced in the question, “and **added**  
7 **annual amortization expense for the 2023 test year** [the Application only included  
8 amortization starting from 2024]” was referring specifically to the new inclusion of \$0.878  
9 million amortization expense in 2023 test year Compliance Filing.

10  
11 **(b)**

12  
13 It is confirmed that the amount of disallowed AFUDC costs is the amount of \$0.236 million  
14 as the sum of \$0.175 million for WH2 Uprate, \$0.019 million for WH4 Servomotor and  
15 \$0.042 million for EAM.

16  
17 The \$0.229 million is the disallowed net book value by the end of 2023 as noted in Table  
18 1.1-3a – 2023 and is calculated as \$0.236 million disallowed cost less \$0.007 million  
19 depreciation expense for 2023 as shown in Table 1.1-2a – 2023. Table 1.1-3b – 2024 then  
20 shows the net book value of disallowed AFUDC by the end of 2024 at \$0.222 million based  
21 on the \$0.229 million net book value by the end of 2023 less \$0.007 million depreciation  
22 expense for 2024 as shown in Table 1.1-2b – 2024.

23  
24 The Compliance Filing reflects the disallowed AFUDC amounts as directed and no  
25 corrections are required.

26  
27 YEC also confirms that the reduction to depreciation expense related to the disallowed  
28 AFUDC is \$0.007 million for each of 2023 and 2024 as indicated in YEC’s GRA  
29 Compliance Filing Summary Tables on Table 1.1-2a – 2023 and Table 1.1-2b – 2024. The  
30 \$0.070 million on pages 34 and 35 are typographic errors in the document and no  
31 corrections are required to the schedules from this error.

32  
33 **(c)**

34  
35 Confirmed. The \$0.156 million reduction in customer contribution amortization related to  
36 IPP Connections increases YEC’s 2024 net depreciation expense and has been treated  
37 as such in the Compliance Filing revenue requirement as shown in Table 1.1-2b – 2024.

1 **REFERENCE: YEC 2023-2024 GRA Compliance Filing, Section 2.4.1 –**  
2 **Depreciation Expense, PDF pages 31-35;**  
3 **Board Order 2024-05 Appendix A Errata, paragraphs 188-191**

4  
5 **ISSUE: YEC response to directives #9 and #10**

6  
7 **QUOTE** Board Order 2024-05 Appendix A Errata, paragraphs 188-  
8 191: The Board has examined YEC's forecast depreciation expense  
9 calculations and generally finds them to be reasonable subject to the  
10 following concerns. Specifically, in YEC's Tab 7 schedules, namely  
11 Schedule 3A – Calculation of Depreciation Expense and Schedule 3B –  
12 Calculation of Amortization Expense for Deferred Costs and  
13 Intangibles, for each of 2023 and 2024, the Board observes on  
14 Schedule 3A, there are generally no working formulae contained in the  
15 column of the schedule where the forecast depreciation expense is  
16 shown. In Schedule 3B, there are often formulae, but the calculations  
17 do not appear to reflect any amortization of deferred costs or intangibles  
18 on current year additions.

19  
20 189: In order to provide parties and the Board with more fulsome and  
21 detailed information respecting the calculation of YEC's forecast 2023-  
22 2024 depreciation expense, in its compliance filing, YEC is directed to  
23 file a revised Schedule 3A, in which it will insert a column indicating the  
24 depreciation rate being used, and to include working formulae in the  
25 column of the schedule where the forecast depreciation expense is  
26 being calculated, including the forecast depreciation expense on  
27 current year additions. Further, YEC is directed to file a revised  
28 Schedule 3B to include working formulae in the column of the schedule  
29 where the forecast amortization expense is being calculated, to ensure  
30 the calculation of the forecast depreciation expense on current year  
31 additions.<sup>93</sup>

32 In addition to the directions in the preceding paragraph, the Board  
33 directs YEC to recalculate its Schedule 3A and Schedule 3B  
34 depreciation expense, among other things, based on the incorporation  
35 of any Board- directed changes to dates and costs that impact each of  
36 forecast capital expenditures and capital additions, and any other

1 direction that may result in a change to YEC’s depreciation or  
2 amortization expense calculation.

3  
4 191: Accordingly, subject to the directions in the above paragraphs, and  
5 any Board findings and directions made elsewhere in this Board Order,  
6 YEC’s proposed depreciation expense for the years 2023 and 2024 is  
7 approved as reasonable.

8  
9 93 In its response in YEC’s 2021 GRA, in Exhibit B-5, YUB-YEC-1-  
10 109(b), PDF pages 506-514, that “... YEC calculates depreciation in  
11 accordance with international Financial Reporting Standards. Each  
12 asset is depreciation monthly based on its costs. For forecast  
13 depreciation, the methodology is the same as it provides the most  
14 accurate forecast. As stated in part (a), this forecast is system  
15 generated. Our understanding is this is not a change from previously  
16 approved YEC depreciation expense calculation methodology.”

17  
18 **PREAMBLE:** In response to Directive 9, in Tab 7, Schedule 3A (2023 and 2024),  
19 YEC inserted formulae to the extent that year end cost has been  
20 derived, but added no other formulae to derive its depreciation expense  
21 because “it uses Microsoft Great Plains to track its assets and calculate  
22 depreciation and amortization as that system can incorporate all  
23 required data, such as date of full depreciation, into its calculation, and  
24 that it is therefore not possible to provide in Schedule 3A as directed  
25 an exact working file with formulae in excel. ... The depreciation for the  
26 capital additions for the forecast years are then added manually in the  
27 excel based on cost of assets and depreciation rates. As reviewed  
28 below, no depreciation is calculated for asset cost additions during a  
29 year.” (PDF page 32)

30  
31 Further, in Appendix 2.4, YEC contrasted “the 2023 and 2024  
32 depreciation expense in Schedule 3A (column G) with a formula based  
33 calculation based on the approved depreciation rate (column E) and  
34 start-of-year costs (column A). The depreciation and amortization  
35 expenses included in the revenue requirements for the 2023 and 2024  
36 test years are typically lower compared to the calculated depreciation  
37 and amortization expenses using the start-of-year asset base and

1 depreciation rate as illustrated in Appendix 2.4, reflecting that the YEC  
2 system depreciation estimate generates no depreciation and  
3 amortization expense for the assets with zero net book value, i.e., fully  
4 amortized assets. ... Overall, the depreciation expenses included in the  
5 revenue requirements, Schedule 3A of Tab 7, are \$2.3 million lower for  
6 2023 and \$2.2 million lower for 2024 compared to the calculated  
7 depreciation expenses as shown in Appendix 2.4 [columns A-F in  
8 Appendix 2.4].” (PDF pages 32-33)  
9

10 YEC goes on to state that “for this Compliance Filing purposes, no  
11 changes have been made to Schedule 3A except for the changes due  
12 to capital cost changes as reviewed below and the adjustments noted  
13 above. To simplify the Board’s review process, YEC proposes that in  
14 its next GRA, the calculation of depreciation expenses for forecast  
15 years will be based on the approach illustrated in Appendix 2.4,  
16 columns A-F. This would also be consistent with how AEY forecasts  
17 depreciation expenses in its GRAs.” (PDF page 33)  
18

19 With respect to the Board’s directive to calculate forecast depreciation  
20 expense on current year additions, YEC stated in response that “...it  
21 has been YEC’s practice for rate making purposes that (unless  
22 otherwise specifically noted) the depreciation and amortization of  
23 capital and deferred cost additions start in the next year following the  
24 year when the capital addition occur [i.e., there are no depreciation or  
25 amortization expenses included in the revenue requirement for 2023  
26 for the projects closed in 2023 and similarly there are no depreciation  
27 or amortization expenses included in the revenue requirement for 2024  
28 for the projects closed in 2024]. YEC used the same practice in the  
29 previous GRAs.

30 a) A change to include depreciation and amortization expenses for the  
31 assets in the year the capital or deferred cost addition occurs would  
32 increase the revenue requirements for 2023 and 2024 test years  
33 [the increase in depreciation and amortization expenses would be  
34 somewhat offset by a reduction in rate base and return on rate  
35 base, however, the amount of return on rate base reduction would  
36 be insignificant compared to added depreciation and amortization  
37 expenses].

1                   b) YEC notes that in the next GRA the amortization and rate base for  
2                   the assets capitalized in 2023 and 2024 will be based on actuals,  
3                   taking into account any actual depreciation and amortization that  
4                   has occurred.” (PDF page 33)  
5

6 **QUESTION:**  
7

8           a) Please explain how there can be both “depreciation for the capital additions for the  
9           forecast years are then added manually in the excel based on cost of assets and  
10           depreciation rates” and “no depreciation ... calculated for asset cost additions  
11           during a year” as these statements appear inconsistent. Does YEC mean that the  
12           calculation for depreciation for historical amounts comes from Great Plains and  
13           depreciation amounts for forecast additions (including the current forecast year)  
14           are added manually? Please confirm or explain.  
15

16           b) Please explain in detail on what basis YEC can conclude that its Appendix A-4  
17           Columns A-F methodology results in higher than forecast depreciation expense of  
18           \$2.3 million in 2023 and \$2.2 million in 2024, yet states that “in its next GRA, the  
19           calculation of depreciation expenses for forecast years will be based on the  
20           approach illustrated in Appendix 2.4, columns A-F. This would also be consistent  
21           with how AEY forecasts depreciation expenses in its GRAs.”  
22

23           In the response, please provide all assumptions and an example calculation(s)  
24           upon which YEC relies on to reach these two conclusions.  
25

26           c) YEC states “for this Compliance Filing purposes, no changes have been made to  
27           Schedule 3A except for the changes due to capital cost changes as reviewed  
28           below and the adjustments noted above”. Given that the Board directed YEC to  
29           recalculate its forecast depreciation expense for 2023 and 2024 to include  
30           depreciation and amortization expense on current year additions, please explain  
31           how making no changes to Schedule 3A is responsive to that direction.  
32

33           d) From a ratepayer’s perspective, please identify and contrast all positive and  
34           negative aspects associated with YEC commencing the depreciation or  
35           amortization of capital and deferred cost additions in the year of capitalization,  
36           versus the current YEC methodology of amortizing costs in the following year.  
37

1 **ANSWER:**

2  
3 **(a)**

4  
5 Yes, the referenced text from pdf page 32 of the Compliance Filing means that the  
6 calculation of depreciation expenses for historical assets come from Great Plains and  
7 depreciation amounts for forecast additions (including the current forecast year) are added  
8 manually. However, to add clarification, manual additions for depreciation only occur in  
9 the year after the capital is added to rate base, i.e., these manual additions only result for  
10 capital additions in the test years if an asset is added during the first test year [i.e., in 2023]  
11 as depreciation will be calculated only for the second test year [i.e., 2024 depreciation  
12 expense for the 2023 capital additions].  
13

14 The two referenced statements are not inconsistent when it is recognized that there are  
15 two test years, and that in the GRA and the Compliance Filing there is no depreciation in  
16 the year that a capital addition occurs. For example, an asset added during 2023 will have  
17 \$0 depreciation impact for 2023 (“no depreciation ... calculated for asset cost additions  
18 during a year”). However, for 2024, for the 2023 added asset YEC includes a full year of  
19 depreciation that is added manually in excel (“depreciation for the capital additions for the  
20 forecast years are then added manually in the excel based on cost of assets and  
21 depreciation rates”).  
22

23 **(b)**

24  
25 YEC wants to clarify that the methodology used in Appendix 2.4, Columns A through F  
26 results in higher depreciation expense **when compared** to the depreciation expense  
27 included in the Application/Compliance Filing. Further added clarification is that both  
28 options, the depreciation expense included in the Compliance Filing as well as Appendix  
29 2.4, exclude any depreciation for assets added to rate base during a test year.  
30

31 The depreciation expense included in the Application/Compliance Filing is prepared on an  
32 asset-by-asset basis with no depreciation and amortization expense for the assets with  
33 zero net book value, i.e., fully amortized assets.  
34

35 In contrast, the methodology used in Appendix 2.4, Columns A through F calculates the  
36 depreciation expense based on total asset costs at start of year regardless of the net book  
37 value of individual assets. Specific examples are provided in Appendix 2.4.

- 1 • For example, the 2023 opening balance of PP&E [column A in Appendix 2.4] times  
2 the depreciation rate or life [column E in Appendix 2.4] results in a \$16.511 million  
3 depreciation expense for 2023 compared to the lower depreciation expense of  
4 \$14.244 million included in the Compliance Filing for the 2023 test year.
- 5 • Similarly, for the 2024 test year the calculated depreciation expense for 2024 in  
6 Appendix 2.4 [2024 opening PP&E times depreciation rate] results in a \$17.527  
7 million compared to the lower depreciation expense of \$15.350 million included in  
8 the Compliance Filing for the 2024 test year.

9  
10 AEY in its GRA calculates the depreciation expense in the excel file [see Schedule 7.2 of  
11 AEY's 2023/24 GRA] as follows [before considering net salvage]:

- 12 i. 2023 Opening PPE times depreciation rate = depreciation for the opening balance
- 13 ii. 2023 capital additions times depreciation rate divided by 2 = depreciation for the capital  
14 additions
- 15 iii. Total depreciation before net salvage = a) plus b)

16  
17 The only difference between the approach used in Appendix 2.4, columns A-F and AEY's  
18 Schedule 7.2 is that AEY also calculates the depreciation expense for the capital additions  
19 for the year [step ii above].

20  
21 While YEC considers its method of forecasting depreciation in this Application also to be  
22 reasonable, to simplify the Board's review process in YEC's next GRA, YEC proposes that  
23 the calculation of depreciation expenses for forecast years will be based on the approach  
24 that AEY uses in calculation of depreciation expenses in its GRAs [i.e., the approach in  
25 Appendix 2.4 plus the added step for the depreciation for additions for the year which  
26 takes a mid-year convention for depreciation for new capital additions]. This would also  
27 address the Board's concerns regarding Schedule 3A and Schedule 3B.

28  
29 **(c) and (d)**  
30

31 As indicated above, YEC is willing to use the approach that AEY employs in its GRA and  
32 include the depreciation expense for the current year additions which takes a mid-year  
33 convention for depreciation for new capital additions. An assessment that complies with  
34 Board directions on this matter is provided below based on the AEY approach for the  
35 current year additions. For clarification, the assessments below do not use the  
36 depreciation expenses from Appendix 2.4 but use the depreciation expense from the

1 Compliance Filing with the calculation of depreciation expenses for historical assets  
 2 through Great Plains].

3  
 4 YEC did not include depreciation expense for the current year additions in its GRA filing  
 5 or in the Compliance Filing as explained in section 2.4 of the Compliance Filing, after  
 6 considering the impact on overall 2023 and 2024 revenue requirements and the resulting  
 7 added rate increases. For example, adding depreciation expenses in 2023 and 2024 for  
 8 capital additions in each test year increases the revenue requirements by \$0.930 million  
 9 for 2023 and \$0.942 million for 2024 as shown in the table below [Schedule 3A and  
 10 Schedule 3B of Tab 7 in Attachment 1 to this response provides the detailed calculation  
 11 of depreciation expense for fixed asset additions for 2023 and 2024].

	August 5, 2024 Compliance Filing		YUB-YEC-1-2		Change	
	2023	2024	2023	2024	2023	2024
<b>A Total Revenue Requirement</b>	<b>82,561</b>	<b>91,344</b>	<b>83,491</b>	<b>92,286</b>	<b>930</b>	<b>942</b>
Depreciation and Amortization	12,811	14,703	13,773	15,739	962	1,036
<i>Fixed Asset Depreciation</i>					508	856
<i>Customer Contributions Depreciation</i>					-21	-18
<i>Deferred Cost Amortization</i>					475	199
Return on Rate Base	18,691	21,273	18,659	21,179	-32	-94
<b>B Total revenues at existing rates</b>	<b>74,844</b>	<b>75,694</b>	<b>74,844</b>	<b>75,694</b>	<b>0</b>	<b>0</b>
<b>C=A-B Required GRA rate increase</b>	<b>7,717</b>	<b>15,650</b>	<b>8,647</b>	<b>16,592</b>	<b>930</b>	<b>942</b>

13  
 14  
 15 Therefore, from a ratepayer’s perspective, in this GRA the positive aspect associated with  
 16 the methodology that YEC used for amortizing costs in the following year is a lower rate  
 17 increase and lower bill impacts in the affected test year. There are no negative aspects  
 18 from a ratepayer’s perspective from this approach in this GRA.

19  
 20 In order to comply with the Board’s directive, YEC has included revised schedules and  
 21 tables in Attachment 1 to this response that include depreciation expense for the current  
 22 year additions which takes a mid-year convention for depreciation for new capital  
 23 additions. The resulting Rider J is 56.64% compared to 55.40% for non-industrial  
 24 customers and 52.99% compared to 51.75 for industrial customers in the August 5, 2024  
 25 Compliance Filing, and resulting Rider J1 is 10.41% compared to 9.45% in the August 5,  
 26 2024 Compliance Filing. The Board, after review, can decide on approving the Compliance  
 27 Filing as filed on August 5, 2024 or approve the revised rate calculations to include the  
 28 Attachment 1 depreciation expenses for current year additions.

Table 1.1:  
Summary of Changes to the Revenue Requirement and Revenues at Existing Rates (\$000)

	Original Filing		Compliance Filing YUB-YEC-1-2 Attachment 1		Change		Reference to YUB Order 2024-05
	2023	2024	2023	2024	2023	2024	
<b>Revenue Requirement</b>							
Fuel and Purchased Power	16,272	16,967	16,128	18,054	-144	1,087	Please see Table 1.1-1 [§48, §73]
Non Fuel O&M -Labour	15,183	16,079	15,069	16,132	-114	53	
<i>Manager Community Relations</i>					-114	-44	Remove the cost related to Manager Community Relations from 2023 and prorate for 2024 based on filling the position on April 22, 2024 [§109]
<i>Adjust maintenance and capital allocation</i>						97	Adjust maintenance and capital allocation based on the 2023 forecast [§110] - capital allocation change from 18.4% to 17.9%
Non Fuel O&M -Other	19,816	21,405	19,861	21,183	45	-222	
<i>Brushing cost reduced</i>					-29	-29	[§144]
<i>SCADA Communication</i>					-68	-82	[§153]
<i>Environmental Mgmt</i>					-458	-437	[§165]
<i>Public safety plans</i>					225		[§343]
<i>Digital strategy and policy development</i>					10		[§343]
<i>Privacy management program</i>					100		[§343]
<i>Vegetation management plan update</i>					225		[§343]
<i>Cyber security framework</i>					40	100	[§343]
<i>Digital reporting review</i>						125	[§343]
<i>Records policy planning and program development</i>						100	[§343]
Depreciation and Amortization	11,997	15,161	13,773	15,739	1,777	579	Please see Table 1.1-2
Return on Rate Base	18,172	20,814	18,659	21,179	487	365	Please see Table 1.1-2
<i>Change in ROE</i>							
<i>Change in rate base</i>							
<b>A Total Revenue Requirement</b>	<b>81,440</b>	<b>90,425</b>	<b>83,491</b>	<b>92,286</b>	<b>2,051</b>	<b>1,861</b>	
<b>Revenues at Existing Rates</b>							
Residential	2,532	2,611	2,532	2,611	0	0	
Commercial	6,272	7,175	6,272	7,175	0	0	
Industrial	9,718	8,771	9,772	8,809	54	37	Incremental RS39 Fixed Charge to be recovered from industrial customers [see Table 1.1-4a]
Streetlight and Sentinel Light	85	85	85	85	0	0	
Wholesale	29,150	29,529	29,150	30,069	0	540	[§48 - wholesale increased by 6.5 GWh]
Secondary Sales revenues	358	358	358	358	0	0	
Rider J Revenues	26,265	26,183	26,282	26,194	17	12	Fixed Charge update impact [see Table 1.1-4a]
Other Revenue	394	394	394	394	0	0	
<b>B Total revenues at existing rates</b>	<b>74,773</b>	<b>75,105</b>	<b>74,844</b>	<b>75,694</b>	<b>71</b>	<b>589</b>	
<b>C=A-B Required GRA rate increase</b>	<b>6,667</b>	<b>15,320</b>	<b>8,647</b>	<b>16,592</b>	<b>1,980</b>	<b>1,272</b>	

**Table 1.2: YEC 2023 and 2024 Compliance Filing Revenue Required from Rates (\$000s)**

	<b>Compliance Filing YUB-YEC-1-2 Attachment 1</b>	
	<b>2023</b>	<b>2024</b>
Revenue Requirement	\$83,491	\$92,286
Less: Other Revenues	\$394	\$394
Less: Secondary Sales	\$358	\$358
Revenue Required from Firm Rates	\$82,739	\$91,534
Less: Revenues from Firm Sales at Existing Rates [includes Rider J]*	<u>\$74,092</u>	<u>\$74,942</u>
Additional Firm Rate Revenues Required	\$8,647	\$16,592

\* - includes updated RS 39 Fixed Charges

**Table 1.3: YEC 2023/24 GRA Compliance Filing Required Rider J Increase Calculation**

Line #			Compliance Filing YUB-YEC-1-2 Attachment 1	
			2023	2024
1a	Consolidated Firm Retail Sales Revenues - Base Rates <sup>1</sup>	\$000	64,471	67,298
1a (i)	YEC Firm Retail Base Rates Revenues	\$000	8,888	9,870
1a (ii)	AEY Firm Retail Base Rates Revenues	\$000	55,583	57,428
1b	Consolidated Firm Industrial Sales Revenues - Base Rates	\$000	9,772	8,809
2a	Consolidated Rider J Revenues <sup>2</sup>	\$000	26,282	26,194
2b	AEY Rider R Revenues <sup>3</sup>	\$000	6,162	10,944
3=1+2	<b>Total Consolidated Firm Sales Revenues at existing rates</b>	\$000	106,686	113,245
4=Table 1.2	Retail Revenue increase required in 2023	\$000	8,647	
5a=4/3	Required Rate Increase on total Consolidated Revenues	%	8.11%	
5b=4/(1a+1b)	Rider J Increase Required	%	11.65%	
6=3 + (1a+1b)* 5b	<b>Total Consolidated Firm Sales Revenues with 2023 Increase</b>	\$000	115,333	122,109
7=Table 1.2	Retail Revenue increase required in 2024	\$000		16,592
8=6-3	To Be Recovered from 2023 Increase	\$000		8,864
9=7-8	Net Retail Revenue increase required in 2024	\$000		7,728
10a=9/6	Required Rate Increase on total Consolidated Revenues	%		6.33%
10b=9/(1a+1b)	Rider J Increase Required	%		10.15%
11=6 * 10a	<b>Total Consolidated Firm Sales Revenues with 2024 Increase</b>	\$000		129,837
12=5a*(1+10a)+10a	Total Cumulative 2023 and 2024 Rate Increases (compounded)			14.95%
	<b>Rider J Required</b>			
13=5b and 10b	Rider J Increase Required	%	11.65%	10.15%
14	Existing Rider J - non-industrial	%	34.84%	46.49%
15	Existing Rider J - industrial	%	31.19%	42.84%
16=13+14	Total Rider J with increases - non-industrial	%	46.49%	56.64%
17=13+15	Total Rider J with increases - industrial	%	42.84%	52.99%

**Notes:**

1. Total Consolidated Retail Revenues at existing Base Rates include revenues from YEC and AEY's residential, general service and streetlight sales. AEY firm base rate retail revenues are from AEY's 2023/24 GRA Compliance Filing Schedule 2.1. YEC firm base rate retail revenues are from compliance filing Tab 2, Table 2.1.

2. Consolidated Rider J revenues at existing rates include YEC's Rider J at 34.84% for firm YEC and AEY retail sales and at 31.19% for firm industrial sales based on YUB Order 2023-05. The Rider J for 2023 was overstated in the GRA filing: the calculated Rider J would have been \$25.509 million compared to \$26.265 million included as revenues at existing rates in Table 2.1 and Table 4.2. In this compliance filing YEC used \$26.265 million consistent with the original GRA filing forecast. This reduced the revenue shortfall amount compared to revenue shortfall that would have been with the calculated Rider J at \$25.509 million.

3. AEY Rider R Revenues are based on AEY's 2023/24 GRA Compliance Filing, including Rider R at 8.30% for 2023 [AEY's 2023/24 GRA Compliance Filing Schedule 12.2 shows no revenue shortfall at existing rates for 2023, i.e., the Rider R for 2023 remains at 8.30%] and for 2024 at 14.38% [AEY's 2023/24 GRA Compliance Filing Schedule 12.1]. There is no impact to YEC Rider J calculations from AEY's Rider R as the Rider J is calculated based on base rate revenues.

**Table 1.1-1:  
2023/24 GRA Compliance Filing Fuel Cost Calculation  
(\$000)**

	Original Filing		Compliance Filing YUB-YEC-1-2 Attachment 1		Change	
	2023	2024	2023	2024	2023	2024
Gross YEC Load (MW.h)	525,454	531,151	525,454	538,232	0	7,081
IPPs (MW.h)	6,102	16,811	1,964	14,289	-4,138	-2,521
YEC Load net of IPPs (MW.h)	519,353	514,342	523,490	523,943	4,138	9,602
LTA Thermal Generation (MW.h)	74,480	68,095	77,578	75,334	3,098	7,239
<i>LNG</i>	67,032	61,286	69,820	67,801	2,788	6,515
<i>Diesel</i>	7,448	6,810	7,758	7,533	310	724
Fuel Prices, \$/kW.h						
LNG Price	\$0.1906	\$0.1906	\$0.1906	\$0.1906	\$0.0000	\$0.0000
Weighted Average Diesel price	\$0.3069	\$0.3069	\$0.3069	\$0.3069	\$0.0000	\$0.0000
<b>LTA Fuel Cost, \$000</b>	<b>\$15,061</b>	<b>\$13,770</b>	<b>\$15,688</b>	<b>\$15,234</b>	<b>\$626</b>	<b>\$1,464</b>
<u>Maintennace run-ups (MW.h)</u>						
Diesel Run-Ups	198	198	198	198	-	-
LNG Run-Ups	-	-	-	-	-	-
<b>Total Maintenance, \$000</b>	<b>\$61</b>	<b>\$61</b>	<b>\$61</b>	<b>\$61</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Fuel Cost, \$000</b>	<b>\$15,122</b>	<b>\$13,831</b>	<b>\$15,748</b>	<b>\$15,295</b>	<b>\$626</b>	<b>\$1,464</b>
<b>Purchased Power Cost, \$000</b>						
Wholesale	\$51.0	\$51.0	\$51.0	\$51.0	\$0.0	\$0.0
IPPs	\$1,099.2	\$3,085.1	\$329.2	\$2,708.2	-\$770.0	-\$376.9
	<b>\$1,150.2</b>	<b>\$3,136.1</b>	<b>\$380.2</b>	<b>\$2,759.2</b>	<b>-\$770.0</b>	<b>-\$376.9</b>
<b>Total Fuel and Purchased Power Cost, \$000</b>	<b>\$16,272</b>	<b>\$16,967</b>	<b>\$16,128</b>	<b>\$18,054</b>	<b>-\$144</b>	<b>\$1,087</b>

Note:

- The revised long-term average thermal generation for the Compliance Filing was calculated based on Table 2.1-1 in Appendix 2.1 of the Application reflecting updated 2023 and 2024 generation numbers net of IPPs as illustrated in Table 1.1-1.

**Table 1.1 -2a. Adjustments to the Ratebase, Return on Ratebase and Amortization Expense for 2023**  
[see Table 1.1-3a for details]

in \$000	2023/24 GRA Original Filing	Compliance Filing YUB-YEC-1-2 Attachment 1	Adjustments
<b>Calculation of Rate Base</b>			
<b>Property, Plant and Equipment</b>			
<b>2022 Year-end balance</b>	<b>735,254</b>	<b>735,254</b>	<b>0</b>
<b>2023 Year-end balance</b>	<b>813,146</b>	<b>799,031</b>	<b>-14,115</b>
Accumulated Amortization	223,380	223,831	451
Construction-in-progress	81,644	80,911	-733
NBV of Disallowed Assets	676	905	229
Miscellaneous reserves	2,079	2,079	0
<b>Total Deductions</b>	<b>307,779</b>	<b>307,726</b>	<b>-53</b>
Deferred Costs and Intangible Assets	55,630	53,137	-2,493
<i>Less: Studies in Progress</i>	-25,707	-25,986	-279
<b>Total Additions</b>	<b>29,923</b>	<b>27,151</b>	<b>-2,772</b>
<i>Previous Year Ending Balance</i>	478,861	487,473	8,612
<i>Current Year Ending Balance</i>	535,291	518,457	-16,834
<b>Mid-year Balance</b>	<b>507,076</b>	<b>502,965</b>	<b>-4,111</b>
<b>Working Capital requirements</b>	<b>8,267</b>	<b>8,211</b>	<b>-56</b>
<b>Gross Mid-year Net Rate Base</b>	<b>515,342</b>	<b>511,175</b>	<b>-4,167</b>
<i>Net Mid-year Contributions</i>	182,947	179,824	-3,123
<b>Net Mid-year Net Rate Base</b>	<b>332,396</b>	<b>331,352</b>	<b>-1,044</b>
<b>Average Cost of Capital</b>	5.47%	5.63%	0.16%
<i>Cost of debt</i>	3.31%	3.29%	-0.03%
<i>ROE</i>	8.70%	9.15%	0.45%
<b>Return on rate base</b>	<b>18,172</b>	<b>18,659</b>	<b>487</b>
<i>Debt</i>	6,605	6,531	-73
<i>ROE</i>	11,567	12,128	560
<b>Total Return on rate base change</b>			<b>487</b>
<i>Due to change of ROE and Debt cost</i>			544
<i>Due to change in Rate base</i>			-57
<b>Net Amortization</b>	<b>11,997</b>	<b>13,773</b>	<b>1,777</b>
<i>Fixed Asset Depreciation</i>	14,301	14,752	451
<i>Customer contribution</i>	-5,656	-5,678	-22
<i>Amortization of fire insurance recoveries</i>	-262	-262	0
<i>Disallowed Depreciation</i>	-44	-51	-7
<i>Amortization of deferred charges</i>	3,657	5,012	1,355
<i>Rate Case</i>	790	854	64
<i>Feasibility and Relicensing</i>	1,876	2,850	974
<i>Dam safety</i>	51	51	0
<i>Vegetation Management</i>	222	222	0
<i>Intangibles</i>	718	1,036	317
<b>Total Impact to Revenue Requirement</b>			<b>2,263</b>

**Table 1.1 -2b. Adjustments to the Ratebase, Return on Ratebase and Amortization Expense for 2024**  
[see Table 1.1-3b for details]

in \$000	2023/24 GRA Original Filing	Compliance Filing YUB-YEC-1-2 Attachment 1	Adjustments
<b>Calculation of Rate Base</b>			
<b>Property, Plant and Equipment</b>			
<b>2023 Year-end balance</b>	<b>813,146</b>	<b>799,031</b>	<b>-14,115</b>
<b>2024 Year-end balance</b>	<b>877,301</b>	<b>891,509</b>	<b>14,208</b>
Accumulated Amortization	239,086	240,035	949
Construction-in-progress	100,578	116,829	16,252
NBV of Disallowed Assets	632	854	222
Miscellaneous reserves	1,751	1,751	0
<b>Total Deductions</b>	<b>342,046</b>	<b>359,469</b>	<b>17,423</b>
Deferred Costs and Intangible Assets	65,696	64,145	-1,550
<i>Less: Studies in Progress</i>	-38,049	-38,780	-731
<b>Total Additions</b>	<b>27,647</b>	<b>25,365</b>	<b>-2,282</b>
<i>Previous Year Ending Balance</i>	535,291	518,457	-16,834
<i>Current Year Ending Balance</i>	562,902	557,405	-5,497
<b>Mid-year Balance</b>	<b>549,096</b>	<b>537,931</b>	<b>-11,166</b>
<b>Working Capital requirements</b>	<b>8,576</b>	<b>8,693</b>	<b>117</b>
<b>Gross Mid-year Net Rate Base</b>	<b>557,672</b>	<b>546,623</b>	<b>-11,049</b>
<i>Net Mid-year Contributions</i>	181,668	176,008	-5,660
<b>Net Mid-year Net Rate Base</b>	<b>376,004</b>	<b>370,615</b>	<b>-5,389</b>
<b>Average Cost of Capital</b>	5.54%	5.71%	0.18%
<i>Cost of debt</i>	3.43%	3.42%	0.00%
<i>ROE</i>	8.70%	9.15%	0.45%
<b>Return on rate base</b>	<b>20,814</b>	<b>21,179</b>	<b>365</b>
<i>Debt</i>	7,729	7,615	-115
<i>ROE</i>	13,085	13,564	479
<b>Total Return on rate base change</b>			<b>365</b>
<i>Due to change of ROE and Debt cost</i>			663
<i>Due to change in Rate base</i>			-298
<b>Net Amortization</b>	<b>15,161</b>	<b>15,739</b>	<b>579</b>
<i>Fixed Asset Depreciation</i>	15,707	16,205	498
<i>Customer contribution</i>	-5,834	-5,697	138
<i>Amortization of fire insurance recoveries</i>	-262	-262	0
<i>Disallowed Depreciation</i>	-44	-51	-7
<i>Amortization of deferred charges</i>	5,594	5,544	-50
<i>Rate Case</i>	846	904	58
<i>Feasibility and Relicensing</i>	3,195	3,049	-146
<i>Dam safety</i>	51	51	0
<i>Vegetation Management</i>	222	222	0
<i>Intangibles</i>	1,281	1,319	38
<b>Total Impact to Revenue Requirement</b>			<b>944</b>

**Table 1.1 -3a. Adjustments to the Ratebase for 2023 [detailed]**

in \$000	2023/24 GRA Application	Compliance Filing YUB-YEC-1-2 Attachment 1	Adjustments
<b>Calculation of Rate Base</b>			
<b>Property, Plant and Equipment</b>			
<b>2023 Year-end balance</b>	<b>813,146</b>	<b>799,031</b>	<b>-14,115</b>
Battery Energy Storage System (BESS) [see Table 1.1-3c]			-14,168
IPP Connections [see Table 1.1-3c]			954
Whitehorse Stoplog Crane Replacement [see Table 1.1-3c]			-1,779
MHO Road & Road Slope Stability [see Table 1.1-3c]			-112
Mayo Mobile Diesel Genset [see Table 1.1-3c]			990
<b>Accumulated Amortization</b>	<b>223,380</b>	<b>223,831</b>	<b>451</b>
Reduction in Depreciation for four asset classes [section 2.4.1 of the compliance filing]			-57
Added Depreciation for 2023 Additions			508
<b>Construction-in-progress</b>	<b>81,644</b>	<b>80,911</b>	<b>-733</b>
Battery Energy Storage System (BESS) [see Table 1.1-3c]			-14,168
IPP Connections [see Table 1.1-3c]			5,983
Whitehorse Stoplog Crane Replacement [see Table 1.1-3c]			2,468
MHO Road & Road Slope Stability [see Table 1.1-3c]			1,762
Schwatka Lake Safety/Debris Boom [see Table 1.1-3c]			1,097
P&C: S250 Callison Protection, Control and SCADA Upgrade [see Table 1.1-3c]			2,125
<b>Disallowed assets [net book value] - [Para 227 - AFUDC reduction less \$0.07 amortization impact]</b>	<b>676</b>	<b>905</b>	<b>229</b>
WH2 Uprate [\$0.175M disallowed AFUDC less amortization for 2023]			173
WH4 - Servomotor [\$0.019M disallowed AFUDC less amortization for 2023]			19
Enterprise Asset Management [\$0.042M disallowed AFUDC less amortization for 2023]			38
<b>Miscellaneous reserves</b>	<b>2,079</b>	<b>2,079</b>	<b>0</b>
<b>Total Deductions</b>	<b>307,779</b>	<b>307,726</b>	<b>-53</b>
<b>Deferred Study Costs and Intangibles</b>	<b>55,630</b>	<b>53,137</b>	<b>-2,493</b>
<i>2023 Cost Updates</i>			
Aishihik 5-Year License Renewal [see Table 1.1-3c]			40
Aishihik 25-Year License Renewal [see Table 1.1-3c]			-214
Atlin Hydro SIS and EPA [see Table 1.1-3c]			-16
Atlin Hydro SIS and EPA Contributions [see Table 1.1-3c]			-67
Digital Strategy and Policy Development [see Table 1.1-3c]			-120
Cyber Security Framework [see Table 1.1-3c]			-40
Privacy Management Program [see Table 1.1-3c]			-100
Vegetation Management Plan Update [see Table 1.1-3c]			-225
Public Safety Plans [see Table 1.1-3c]			-225
Remove IPP Deferral Account 2022 Balance [section 2.7.4 of the compliance filing]			-26
Impact of added SLESP amortization for 2022 and 2023 [paragraph 310]			-1,025
Impact of added amortization for 2023 additions			-475
<i>Less: Studies in Progress</i>	25,707	25,986	279
Aishihik 5-Year License Renewal [see Table 1.1-3c]			615
Aishihik 25-Year License Renewal [see Table 1.1-3c]			-214
Cyber Security Framework [see Table 1.1-3c]			-40
Atlin Hydro SIS and EPA [see Table 1.1-3c]			-16
Atlin Hydro SIS and EPA Contributions [see Table 1.1-3c]			-67
<b>Total Additions [reflect above changes]</b>	<b>29,923</b>	<b>27,151</b>	<b>-2,772</b>
<i>Previous Year Ending Balance</i>	478,861	487,473	8,612
SLESP [closed in 2022 less two months amortization - paragraph 310]			8,638
Remove IPP Deferral Account Balance [Jan 1, 2023 set at \$0 - section 2.7.4 of compliance filing]			-26
<i>Current Year Ending Balance [reflect above changes]</i>	535,291	518,457	-16,834
<b>Mid-year Balance [reflect above changes]</b>	<b>507,076</b>	<b>502,965</b>	<b>-4,111</b>
<b>Working Capital requirements [reflects changes in spending and revenues]</b>	<b>8,267</b>	<b>8,211</b>	<b>-56</b>
<b>Gross Mid-year Net Rate Base</b>	<b>515,342</b>	<b>511,175</b>	<b>-4,167</b>
<b>Contributions</b>			
<i>Current year-end balance</i>	259,283	258,062	-1,221
Lewes River Boat Lock Insurance Proceeds [see Table 1.1-3c]			4,407
Battery Energy Storage System (BESS) Contributions [see Table 1.1-3c]			-5,626
IPP Connections Customer Contributions [see Table 1.1-3c]			-2
<i>Contributions in WIP</i>	16,500	21,504	5,004
Lewes River Boat Lock Insurance Proceeds [see Table 1.1-3c]			4,407
Battery Energy Storage System (BESS) Contributions [see Table 1.1-3c]			-5,626
IPP Connections Customer Contributions [see Table 1.1-3c]			6,223
<i>Current year-end balance in-service</i>	242,783	236,558	-6,225
<i>Accumulated amortization of contributions</i>	58,503	58,524	21
<i>Impact of added amortization for 2023 additions</i>			21
<b>Net 2023 year-end balance in-service</b>	<b>184,280</b>	<b>178,034</b>	<b>-6,246</b>
<b>Net 2022 year-end balance in-service</b>	<b>181,613</b>	<b>181,613</b>	<b>0</b>
<i>Net Mid-year Contributions</i>	182,947	179,824	-3,123
<b>Net Mid-year Net Rate Base</b>	<b>332,396</b>	<b>331,352</b>	<b>-1,044</b>

Table 1.1 -3b. Adjustments to the Ratebase for 2024 [detailed]

in \$000	2023/24 GRA Application	Compliance Filing YUB-YEC-1-2 Attachment 1	Adjustments
<b>Calculation of Rate Base</b>			
<b>Property, Plant and Equipment</b>			
<b>2024 Year-end balance</b>	<b>877,301</b>	<b>891,509</b>	<b>14,208</b>
Battery Energy Storage System (BESS) [see Table 1.1-3c]			14,168
Thermal Replacement (16.5 MW) [see Table 1.1-3c]			9,557
IPP Connections [see Table 1.1-3c]			547
Whitehorse Stoplog Crane Replacement [see Table 1.1-3c]			1,779
MHO Road & Road Slope Stability [see Table 1.1-3c]			112
Mayo Mobile Diesel Genset [see Table 1.1-3c]			410
DD4 Overhaul [see Table 1.1-3c]			-450
AH3 Overhaul [see Table 1.1-3c]			2,200
2024 Opening Balance change [2023 changes]			-14,115
<b>Accumulated Amortization</b>	<b>239,086</b>	<b>240,035</b>	<b>949</b>
Depreciation of IPP Connections			-126
Depreciation of Whitehorse Stoplog Crane Replacement			-85
MHO Road & Road Slope Stability			-26
Schwatka Lake Safety/Debris Boom			-37
P&C: S250 Callion Protection, Control and SCADA Upgrade			-39
Mayo Mobile Diesel Genset			25
Reduction in Depreciation for four asset classes for 2023 [section 2.4.1 of the compliance filing]			-57
Reduction in Depreciation for four asset classes for 2024 [section 2.4.1 of the compliance filing]			-69
Added Depreciation for 2023 Additions [2024 Opening Balance impact]			508
Added Depreciation for 2024 Additions			856
<b>Construction-in-progress</b>	<b>100,578</b>	<b>116,829</b>	<b>16,252</b>
Thermal Replacement (16.5 MW) [see Table 1.1-3c]			9,557
IPP Connections [see Table 1.1-3c]			5,495
Lewes River Boat Lock Road Access Rebuild [see Table 1.1-3c]			1,200
<b>Disallowed assets [net book value] - [Para 227 - AFUDC less \$0.07/year amor. for 2023-2024]</b>	<b>632</b>	<b>854</b>	<b>222</b>
WH2 Uprate [\$0.175M disallowed AFUDC less amortization for 2023 and 2024]			170
WH4 - Servomotor [\$0.019M disallowed AFUDC less amortization for 2023 and 2024]			18
Enterprise Asset Management [\$0.042M disallowed AFUDC less amor. for 2023 and 2024]			34
<b>Miscellaneous reserves</b>	<b>1,751</b>	<b>1,751</b>	<b>0</b>
<b>Total Deductions</b>	<b>342,046</b>	<b>359,469</b>	<b>17,423</b>
<b>Deferred Study Costs and Intangibles</b>	<b>65,696</b>	<b>64,145</b>	<b>-1,550</b>
2024 Cost Updates			
Aishihik 5-Year License Renewal [see Table 1.1-3c]			189
Aishihik 25-Year License Renewal [see Table 1.1-3c]			1,028
Cyber Security Framework [see Table 1.1-3c]			-100
Digital Reporting Review [see Table 1.1-3c]			-125
Records Policy Planning and Program Development [see Table 1.1-3c]			-100
2024 Opening Balance change [2023 changes]			-2,493
Removed amortization for 2023 changes			
Aishihik 5-Year License Renewal			115
Digital Strategy and Policy Development			24
Privacy Management Program			20
Vegetation Management Plan Update			45
Public Safety Plans			45
Impact of added amortization for 2024 additions			-199
Less: Studies in Progress	38,049	38,780	731
Aishihik 25-Year License Renewal			814
Atlin Hydro SIS and EPA			-16
Atlin Hydro SIS and EPA Contributions			-67
<b>Total Additions [reflect above changes]</b>	<b>27,647</b>	<b>25,365</b>	<b>-2,282</b>
Previous Year Ending Balance [see 2023 table]	535,291	518,457	-16,834
Current Year Ending Balance [reflect above changes]	562,902	557,405	-5,497
<b>Mid-year Balance [reflect above changes]</b>	<b>549,096</b>	<b>537,931</b>	<b>-11,166</b>
<b>Working Capital requirements [reflects changes in spending and revenues]</b>	<b>8,576</b>	<b>8,693</b>	<b>117</b>
<b>Gross Mid-year Net Rate Base</b>	<b>557,672</b>	<b>546,623</b>	<b>-11,049</b>
<b>Contributions</b>			
Current year-end balance	264,183	264,509	326
Battery Energy Storage System (BESS) Contributions			5,626
Lewes River Boat Lock Insurance Proceeds			-4,387
IPP Connections Customer Contributions			308
2024 Opening Balance change [2023 changes]			-1,221
Contributions in WIP	21,000	26,516	5,516
Lewes River Boat Lock Insurance Proceeds			20
IPP Connections Customer Contributions			5,495
Current year-end balance in-service	243,183	237,993	-5,189
Accumulated amortization of contributions	64,127	64,011	-116
Amortization of IPP Connections Customer Contributions			-156
Impact of added amortization for 2023 and 2024 additions			39
<b>Net 2024 year-end balance in-service</b>	<b>179,056</b>	<b>173,983</b>	<b>-5,073</b>
<b>Net 2023 year-end balance in-service</b>	<b>184,280</b>	<b>178,034</b>	<b>-6,246</b>
Net Mid-year Contributions	181,668	176,008	-5,660
<b>Net Mid-year Net Rate Base</b>	<b>376,004</b>	<b>370,615</b>	<b>-5,389</b>

**Table 1.1-3c Adjustments to the Capital and Deferred Projects for 2023 and 2024**

in \$000	2023 Opening WIP	2023 Expenditures	2023 Closing	2023 Ending WIP	2024 Expenditures	2024 Closing	2024 Ending WIP
<b>Property, Plant and Equipment</b>							
<i>Battery Energy Storage System (BESS) [section 2.6.5.1 of the compliance filing]</i>							
Application	10,001	19,950	0	29,951	1,000	0	30,951
Compliance Filing	10,001	5,782	0	15,783	15,168	0	30,951
Change	0	-14,168	0	-14,168	14,168	0	0
<i>Thermal Replacement (16.5 MW) [paragraph 276]</i>							
Application	6,297	28,650	0	34,947	13,000	-18,175	29,772
Compliance Filing	6,297	28,650	0	34,947	22,557	-18,175	39,329
Change	0	0	0	0	9,557	0	9,557
<i>IPP Connections [section 2.6.2.1 of the compliance filing]</i>							
Application	3,705	1,500	-5,205	0	0	0	0
Compliance Filing	3,705	2,454	-176	5,983	547	-1,036	5,495
Change	0	954	5,029	5,983	547	-1,036	5,495
<i>Whitehorse Stoplog Crane Replacement [Undertaking #23, paragraph 245]</i>							
Application	323	3,924	-4,247	0	0	0	0
Compliance Filing	323	2,145	0	2,468	1,779	-4,247	0
Change	0	-1,779	4,247	2,468	1,779	-4,247	0
<i>MHO Road &amp; Road Slope Stability [Undertaking #23, paragraph 245]</i>							
Application	934	940	-1,874	0	0	0	0
Compliance Filing	934	828	0	1,762	112	-1,874	0
Change	0	-112	1,874	1,762	112	-1,874	0
<i>Schwatka Lake Safety/Debris Boom [Undertaking #23, paragraph 245]</i>							
Application	581	516	-1,097	0	0	0	0
Compliance Filing	581	516	0	1,097	0	-1,097	0
Change	0	0	1,097	1,097	0	-1,097	0
<i>P&amp;C: S250 Callison Protection, Control and SCADA Upgrade [Undertaking #23, paragraph 245]</i>							
Application	388	1,737	-2,125	0	0	0	0
Compliance Filing	388	1,737	0	2,125	0	-2,125	0
Change	0	0	2,125	2,125	0	-2,125	0
<i>Lewes River Boat Lock Road Access Rebuild [Undertaking #23, paragraph 245]</i>							
Application	0	0	0	0	1,200	-1,200	0
Compliance Filing	0	0	0	0	1,200	0	1,200
Change	0	0	0	0	0	1,200	1,200
<i>Mayo Mobile Diesel Genset [Undertaking #23, paragraph 245]</i>							
Application	0	4,300	-4,300	0	0	0	0
Compliance Filing	0	5,290	-5,290	0	410	-410	0
Change	0	990	-990	0	410	-410	0
<i>DD4 Overhaul [Undertaking #23, paragraph 245]</i>							
Application	0	0	0	0	450	-450	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	0	0	0	-450	450	0
<i>AH3 Overhaul [Undertaking #23, paragraph 245 - paragraph 245 has a typo and shows \$2.5 million]</i>							
Application	0	0	0	0	0	0	0
Compliance Filing	0	0	0	0	2,200	-2,200	0
Change	0	0	0	0	2,200	-2,200	0

in \$000	2023 Opening WIP	2023 Expenditures	2023 Closing	2023 Ending WIP	2024 Expenditures	2024 Closing	2024 Ending WIP
<b>Deferred Costs</b>							
<i>Aishihik 5-Year License Renewal [Undertaking #23, paragraph 245]</i>							
Application	575	0	-575	0	0	0	0
Compliance Filing	575	40	0	615	189	-804	0
Change	0	40	575	615	189	-804	0
<i>Aishihik 25-Year License Renewal [Undertaking #23, paragraph 313]</i>							
Application	5,735	1,025	0	6,760	400	0	7,160
Compliance Filing	5,735	811	0	6,546	1,428	0	7,974
Change	0	-214	0	-214	1,028	0	814
<i>Atlin Hydro SIS and EPA [section 2.6.5.4 of the compliance filing]</i>							
Application	1,474	150	0	1,624	0	0	1,624
Compliance Filing	1,474	134	0	1,609	0	0	1,609
Change	0	-16	0	-16	0	0	-16
<i>Digital Strategy and Policy Development [paragraph 343]</i>							
Application	0	120	-120	0	0	0	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	-120	120	0	0	0	0
<i>Cyber Security Framework [paragraph 343]</i>							
Application	0	40	0	40	100	-140	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	-40	0	-40	-100	140	0
<i>Privacy Management Program [paragraph 343]</i>							
Application	0	100	-100	0	0	0	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	-100	100	0	0	0	0
<i>Vegetation Management Plan Update [paragraph 343]</i>							
Application	0	225	-225	0	0	0	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	-225	225	0	0	0	0
<i>Public Safety Plans [paragraph 343]</i>							
Application	0	225	-225	0	0	0	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	-225	225	0	0	0	0
<i>Digital Reporting Review [paragraph 343]</i>							
Application	0	0	0	0	125	-125	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	0	0	0	-125	125	0
<i>Records Policy Planning and Program Development [paragraph 343]</i>							
Application	0	0	0	0	100	-100	0
Compliance Filing	0	0	0	0	0	0	0
Change	0	0	0	0	-100	100	0
<b>Contributions</b>							
<i>Battery Energy Storage System (BESS) [section 2.6.5.1 of the compliance filing]</i>							
Application	-7,026	-9,474	0	-16,500	0	0	-16,500
Compliance Filing	-7,026	-3,848	0	-10,874	-5,626	0	-16,500
Change	0	5,626	0	5,626	-5,626	0	0
<i>Lewes River Boat Lock Insurance Proceeds [Undertaking #23, paragraph 245]</i>							
Application	0	0	0	0	-4,500	0	-4,500
Compliance Filing	0	-4,407	0	-4,407	-113	0	-4,520
Change	0	-4,407	0	-4,407	4,387	0	-20
<i>IPP Connections Customer Contributions [section 2.6.2.1 of the compliance filing]</i>							
Application	-4,901	-1,500	6,401	0	0	0	0
Compliance Filing	-4,901	-1,498	176	-6,223	-308	1,036	-5,495
Change	0	2	-6,225	-6,223	-308	1,036	-5,495
<i>Atlin Hydro SIS and EPA Contributions [updated cost as section 2.6.5.4 of the compliance filing]</i>							
Application	-289	0	0	-289	0	0	-289
Compliance Filing	-289	-67	0	-356	0	0	-356
Change	0	-67	0	-67	0	0	-67

Table 1.1-4. Determination of the 2023 and 2024 Revenue Shortfall True-up Rider

Line No.	Reference	October 1, 2024 Rate Implementation \$000
<b>2023</b>		
1	Compliance Filing Revenue Requirement	Table 1.1 83,490.6
2	Revenues at pre-GRA rates	Table 1.1 74,843.6
3	Revenue Shortfall/(Surplus)	L1 - L2 <u>8,647.0</u>
<b>2024</b>		
4	Compliance Filing Revenue Requirement	Table 1.1 92,286.2
5	Revenues at pre-GRA rates	Table 1.1 75,694.2
6	Revenue Shortfall/(Surplus)	L4 - L5 <u>16,592.0</u>
<b>Interim Rider J collections</b>		
7	January 1, 2024 - September 30, 2024 Interim Rider J Collections	Table 1.1-5 5,763.9
8	October 1, 2024 - December 31, 2024 Rider J Collections at final rates	Table 1.1-5 <u>4,724.7</u>
9	Total Incremental Revenues	L7 + L8 10,488.7
10	<b>Net 2023/24 Revenue Shortfall/(Surplus) True-up</b>	<b>L3 + L6 - L9 14,750.3</b>
11	<b>Transfer of Rider F Adjustments</b>	<b>Table 1.1-6 2,657.7</b>
12	<b>Total Net Revenue Shortfall/(Surplus) True-up</b>	<b>L10 + L11 17,408.1</b>
<b>Consolidated Revenues at Base Rates for October 1, 2024 to December 31, 2024 [27 months]</b>		
13	Consolidated Non-industrial	Table 1.1-5 158,445.2
14	Consolidated Industrial	Table 1.1-5 8,760.2
15	<b>Total Consolidated Revenues at Base Rates</b>	<b>L13 + L14 167,205.4</b>
16	<b>Revenue Shortfall True-up Rider J1 effective October 1, 2024</b>	<b>L12 / L15 10.41%</b>

Table 1.1-4a YEC 2023/24 GRA Compliance Filing: RS39 Fixed Charges

	Included in the Original Application	Calculated based on YUB Order 2024-05	Variance for Compliance Filing	Billed Fixed Charges [Jan-Sep 2024 based on interim Fixed Charge]	Required True-up
	A	B	C=B-A	D	E=B-D
<b>2023</b>					
January	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
February	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
March	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
April	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
May	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
June	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
July	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
August	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
September	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
October	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
November	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
December	\$65,857.6	\$70,352.5	\$4,494.9	\$65,857.6	\$4,494.9
<b>Total</b>	<b>\$790,291.7</b>	<b>\$844,230.4</b>	<b>\$53,938.7</b>		<b>\$53,938.7</b>
Rider J at 31.19%			\$16,823.5		

<b>2024</b>					
January	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
February	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
March	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
April	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
May	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
June	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
July	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
August	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
September	\$65,857.6	\$68,936.4	\$3,078.8	\$67,850.6	\$1,085.8
October	\$65,857.6	\$68,936.4	\$3,078.8		
November	\$65,857.6	\$68,936.4	\$3,078.8		
December	\$65,857.6	\$68,936.4	\$3,078.8		
<b>Total</b>	<b>\$790,291.7</b>	<b>\$827,237.1</b>	<b>\$36,945.4</b>		
Rider J at 31.19%			\$11,523.3		

**Total Jan - Sep 2024 true-up** **\$9,772.6**

**Total true-up before Rider J** **\$63,711.3**

2023 Actual Sales	MWh	% share	Share of true-up
Victoria Gold	42,697	73.4%	\$39,600.3
Hecla Yukon	15,460	26.6%	\$14,338.4
<b>Total</b>	<b>58,157</b>		<b>\$53,938.7</b>
2024 Jan-Sep Forecast Sales*	MWh	% share	Share of true-up
Victoria Gold	33,068	66.2%	\$6,473.3
Hecla Yukon	16,854	33.8%	\$3,299.3
<b>Total</b>	<b>49,922</b>		<b>\$9,772.6</b>

\* - incl. Jan-June prem actual sales

Total true-up	Share of true-up	Pre-GRA Rider J	Rider J before GST
Victoria Gold	\$46,073.6	\$14,370.3	\$60,443.9
Hecla Yukon	\$17,637.7	\$5,501.2	\$23,138.9
<b>Total</b>	<b>\$63,711.3</b>	<b>\$19,871.6</b>	<b>\$83,582.8</b>

**Table 1.1-4a) i): YEC Transmission Facilities Fixed Costs in Rate Base**

		<u>2023</u>	<u>2024</u>
<b><u>Existing Transmission net costs</u></b>			
1	Year End Net Cost	1,155,849	1,155,849
2	Annual Depreciation	18,069	18,069
3	Accumulated Depreciation	324,779	342,848
4=1-3	Year End Net Book Value	831,070	813,001
5	Mid-Year Rate Base	<b>840,105</b>	<b>822,036</b>
<b><u>Total New Transmission Facilities Fixed Costs</u></b>			
<b>YEC's McQuesten Substation Costs*</b>			
6	Year End Net Cost [net of contributions]	930,563	930,563
7	Annual Depreciation	17,233	17,233
8	Accumulated Depreciation	80,120	97,353
9=6-8	Year End Net Book Value	850,443	833,210
10	Mid-Year Rate Base	<b>859,059</b>	<b>841,827</b>
<b>Transmission Facilities Development**</b>			
11	Year End Cost	15,844,817	15,844,817
12	Year End Contributions	-11,537,390	-11,537,390
13=11+12	Year End Net Cost	4,307,427	4,307,427
14	Annual Depreciation	67,185	67,185
15	Accumulated Depreciation	187,322	254,507
16=13-15	Year End Net Book Value	4,120,105	4,052,920
17	Rate Base	<b>4,153,697</b>	<b>4,086,513</b>
<b>SVC/Statcom Costs***</b>			
18	Year End Cost	13,991,451	13,991,451
19	Year End Contributions	-10,179,565	-10,179,565
20=18+19	Year End Net Cost	3,811,887	3,811,887
21	Annual Depreciation	381,189	381,189
22	Accumulated Depreciation	804,958	1,186,147
23=20-22	Year End Net Book Value	3,006,929	2,625,740
24	Mid-Year Rate Base	<b>3,197,523</b>	<b>2,816,334</b>
<b><u>Total New Transmission Facilities Fixed Costs</u></b>			
25=10+17+24	Rate Base	<b>8,210,280</b>	<b>7,744,674</b>
26=7+14+21	Depreciation	<b>465,606</b>	<b>465,606</b>

Notes:

\* VGC Group PPA Section 7.7 (b) notes Fixed Charge will include YEC's McQuesten Substation Costs. As per section 6 (d) YEC's McQuesten Substation Costs are after VGC Group contributions.

\*\* The completion date for Transmission Facilities is March 15, 2021 [also includes the net spending of \$0.030 million in 2022].

\*\*\* The completion date for SVC/Statcom is October 28, 2021 [also includes the net spending of \$0.215 million in 2022]. The depreciation is based on a 10-year life [please refer to Order 2022-03 Compliance Filing filed on April 14, 2022, page 2-13].

**Table 1.1-4a) ii): Adjusted Transmission Facilities Fixed Charge Calculation**

	<u>2023</u>	<u>2024</u>	
<b>Existing Transmission Facilities</b>			
Rate Base	\$840,105	\$822,036	Table 1.1-4a) i), Line 5
Average Cost of Capital (2023/24 GRA)	5.63%	5.71%	
Return on Rate Base	<u>\$47,298</u>	<u>\$46,975</u>	
Depreciation	\$18,069	\$18,069	Table 1.1-4a) i), Line 2
<b>Subtotal existing facilities</b>	<b><u>\$65,367</u></b>	<b><u>\$65,045</u></b>	
<b>New Transmission Facilities [net of contributions]</b>			
Rate Base	\$8,210,280	\$7,744,674	Table 1.1-4a) i), Line 25
Average Cost of Capital (2023/24 GRA)	5.63%	5.71%	
Return on Rate Base	<u>\$462,239</u>	<u>\$442,569</u>	
Depreciation	\$465,606	\$465,606	Table 1.1-4a) i), Line 26
<b>Subtotal new facilities</b>	<b><u>\$927,845</u></b>	<b><u>\$908,175</u></b>	
<b>Total Transmission Facilities Fixed Cost</b>	<b><u>\$993,212</u></b>	<b><u>\$973,220</u></b>	
Fixed Charge at 85% of annual costs	<u>\$844,230</u>	<u>\$827,237</u>	
Fixed Charge per month	\$70,352.5	\$68,936.4	
Major Industrial Use of Transmission Facilities	Sales, MW.h	Sales, MW.h	
Victoria Gold	43,583	47,596	
Hecla Yukon (Alexco)	15,074	21,772	
<b>Monthly Fixed Charges, \$/month</b>	<b><u>Jan-01-2023</u></b>	<b><u>Jan-01-2024</u></b>	
Victoria Gold	\$52,273.18	\$47,299.88	
Hecla Yukon (Alexco)	<u>\$18,079.35</u>	<u>\$21,636.55</u>	
Total	\$70,352.53	\$68,936.43	



YEC 2023/24 GRA  
 Compliance Filing YUB-YEC-1-2 Attachment 1

Table 1.1 -6. Rider F Adjustments for True-up (\$000)

Line No.	Month	Fuel Price Variance [Original] <sup>1</sup>	Fuel Price Variance [Revised] <sup>2</sup>	RS 32 SS Adjustment <sup>3</sup>	Rider F Surcharge - Industrial	Rider F Surcharge - CIS	Inter-company Transfer	Balance
		A	B	C	D	E	F	G
<b>Based on 2021 GRA inputs</b>								
1	FPVA 2023 Opening Balance							-3,168.6
2	Jan-23	-327.8			145.2	41.9	148.3	-3,161.0
3	Feb-23	-103.9			123.5	72.0	142.0	-2,927.4
4	Mar-23	-165.1			136.2	102.8	129.8	-2,723.8
5	Apr-23	-75.4			137.2	62.4	141.3	-2,458.4
6	May-23	-35.9			116.7	55.5	85.0	-2,237.0
7	Jun-23	-31.3			77.2	60.9	76.0	-2,054.1
8	Jul-23	-203.0			46.1	84.3	82.6	-2,044.1
9	Aug-23	-77.6			73.5	76.5	61.9	-1,909.7
10	Sep-23	-198.7			85.3	79.0	-866.9	-2,811.1
11	Oct-23	-253.8			95.1	81.0	0.0	-2,888.8
12	Nov-23	-204.8			113.3	94.6	0.0	-2,885.7
13	Dec-23	-515.9			64.7	86.8	0.0	-3,250.0
14	Jan-24	-1,515.3				70.1		-4,695.2
15	Feb-24	-793.6				7.8		-5,481.0
16	Mar-24	-275.8				1.3		-5,755.4
17	Apr-24	-33.8						-5,789.2
18	May-24	19.2						-5,770.1
19	Jun-24	-0.4						-5,770.5
20	Jul-24 Forecast	0.0						-5,770.5
21	Aug-24 Forecast	0.0						-5,770.5
22	Sep-24 Forecast	0.0						-5,770.5
23	<b>September 30, 2024 Forecast Balance</b>							-5,770.5

Line No.	Month	Fuel Price Variance [Original] <sup>1</sup>	Fuel Price Variance [Revised] <sup>2</sup>	RS 32 SS Adjustment <sup>3</sup>	Rider F Surcharge - Industrial	Rider F Surcharge - CIS	Inter-company Transfer	Balance
		A	B	C	D	E	F	G

**Based on 2023/24 GRA inputs**

24	FPVA 2023 Opening Balance							-3,168.6
25	Jan-23		-150.9	0.0	145.2	41.9	148.3	-2,984.2
26	Feb-23		-48.5	0.0	123.5	72.0	142.0	-2,695.2
27	Mar-23		-67.6	0.0	136.2	102.8	129.8	-2,394.1
28	Apr-23		-55.2	0.0	137.2	62.4	141.3	-2,108.4
29	May-23		-13.9	0.0	116.7	55.5	85.0	-1,865.1
30	Jun-23		-13.3	0.0	77.2	60.9	76.0	-1,664.2
31	Jul-23		-40.1	-5.0	46.1	84.3	82.6	-1,496.2
32	Aug-23		-25.3	0.0	73.5	76.5	61.9	-1,309.6
33	Sep-23		-168.7	0.0	85.3	79.0	-866.9	-2,180.9
34	Oct-23		-121.0	-11.3	95.1	81.0	0.0	-2,137.2
35	Nov-23		-96.6	0.0	113.3	94.6	0.0	-2,025.9
36	Dec-23		-187.1	-27.1	64.7	86.8	0.0	-2,088.6
37	Jan-24		-353.6	-2.7	0.0	70.1	0.0	-2,374.8
38	Feb-24		-260.7	0.0	0.0	7.8	0.0	-2,627.6
39	Mar-24		-45.9	-20.3	0.0	1.3	0.0	-2,692.4
40	Apr-24		10.4	-4.8	0.0	0.0	0.0	-2,686.9
41	May-24		31.2	0.0	0.0	0.0	0.0	-2,655.7
42	Jun-24		0.5	-2.5	0.0	0.0	0.0	-2,657.7
43	Jul-24 Forecast		0.0	0.0	0.0	0.0	0.0	-2,657.7
44	Aug-24 Forecast		0.0	0.0	0.0	0.0	0.0	-2,657.7
45	Sep-24 Forecast		0.0	0.0	0.0	0.0	0.0	-2,657.7
46	<b>Revised September 30, 2024 Forecast Balance</b>							-2,657.7

**Notes:**

1. Based on 2021 GRA fuel prices and fuel efficiencies.
2. Based on 2023/24 GRA fuel prices and fuel efficiencies.
3. No secondary rate rate impact was calculated based on 2021 GRA inputs as no sales forecast in the 2021 GRA. No forecast is included for secondary sales rate adjustments for July-Sep 2024 and the Rider F balance will be adjusted based on actuals.

**YEC 2023/24 GRA  
 Compliance Filing YUB-YEC-1-2 Attachment 1**

**Table 1.1 -7. Secondary Sales Rate Adjustment for Rider F (\$000)**

Month	Secondary Sales, MWh	2023/24 GRA Approved Rate, \$/kWh	Actuals Rate, \$/kWh	RS 32 SS Adjustment
	A	B	C	D=A*(C-B)
Jan-23	0	0.122	0.118	0
Feb-23	0	0.122	0.118	0
Mar-23	0	0.122	0.118	0
Apr-23	0	0.122	0.122	0
May-23	0	0.122	0.122	0
Jun-23	72	0.122	0.122	0
Jul-23	311	0.122	0.106	-5
Aug-23	0	0.122	0.106	0
Sep-23	0	0.122	0.106	0
Oct-23	540	0.122	0.101	-11
Nov-23	0	0.122	0.101	0
Dec-23	1,291	0.122	0.101	-27
Jan-24	162	0.122	0.105	-3
Feb-24	0	0.122	0.105	0
Mar-24	1,192	0.122	0.105	-20
Apr-24	284	0.122	0.105	-5
May-24	0	0.122	0.105	0
Jun-24	146	0.122	0.105	-2

Note: No forecast is included for secondary sales rate adjustments for July-Sep 2024 and the Rider F balance will be adjusted based on actuals.

# Tab 7 Schedules

**Yukon Energy Corporation 2023/24 GRA  
Compliance Filing - YUB-YEC-1-2 Attachment 1**

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1	Computation of Rate Base
2	Computation of Allowance for Working Capital
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3	Continuity Schedule of Property, Plant and Equipment, Deferred Costs and Intangible Assets
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6	Statement of Earnings
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8	Reconciliation of Utility Income to Net Earnings
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**Yukon Energy Corporation**  
**Computation of Rate Base**  
**(\$000s)**

**Schedule 1**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	<b>Property, Plant and Equipment</b>						
2	Year end balance	S.3 L.4	728,282	691,598	735,254	799,031	891,509
	Deduct:						
3	Accumulated depreciation (note 1)	S.3 L.8	198,403	198,509	211,205	223,831	240,035
4	Construction-in-progress	S.3 L.12	40,572	3,808	33,638	80,911	116,829
5	Disallowed assets	S.3 L.11	12,152	14,406	13,688	905	854
6	Miscellaneous reserves	S.3 L.17	7,609	7,623	13,283	2,079	1,751
7	Total deductions		<u>258,737</u>	<u>224,346</u>	<u>271,814</u>	<u>307,726</u>	<u>359,469</u>
	Add:						
8	Deferred Costs and Intangible Assets (note 2)	S.3 L.83	44,229	42,173	43,509	53,137	64,145
9	Less: Deferred Costs and Intangibles in Progress	S.3 L.84	30,489	29,343	19,476	25,986	38,780
10	Total additions		<u>13,739</u>	<u>12,829</u>	<u>24,033</u>	<u>27,151</u>	<u>25,365</u>
	<b>Net plant in Service</b>						
11	Current year-end balance	S.3 L.86	483,285	480,081	487,473	518,457	557,405
12	Previous year-end balance		<u>486,567</u>	<u>461,515</u>	<u>480,081</u>	<u>487,473</u>	<u>518,457</u>
13	Mid-year balance		484,926	470,798	483,777	502,965	537,931
14	Working capital	S.2 L.8	<u>7,092</u>	<u>6,925</u>	<u>7,581</u>	<u>8,211</u>	<u>8,693</u>
15	<b>Gross Rate Base</b>		492,018	477,723	491,358	511,175	546,623
	Deduct:						
	<b>Contributions for extensions (PP&amp;E)</b>						
16	Current year-end balance		254,348	235,303	247,475	258,062	264,509
17	Contributions in WIP		<u>20,776</u>	<u>1,386</u>	<u>12,788</u>	<u>21,504</u>	<u>26,516</u>
18	Current year-end balance in-service		233,571	233,918	234,687	236,558	237,993
19	Accumulated amortization of contributions		<u>48,722</u>	<u>48,401</u>	<u>53,074</u>	<u>58,524</u>	<u>64,011</u>
20	Net current year-end balance in-service		<u>184,849</u>	<u>185,517</u>	<u>181,613</u>	<u>178,034</u>	<u>173,983</u>
21	Previous year-end balance		<u>180,255</u>	<u>168,025</u>	<u>185,517</u>	<u>181,613</u>	<u>178,034</u>
22	Mid-year balance		<u>182,552</u>	<u>176,771</u>	<u>183,565</u>	<u>179,824</u>	<u>176,008</u>
23	<b>Net Rate Base</b>	S.5 L.1	<u>309,466</u>	<u>300,951</u>	<u>307,793</u>	<u>331,352</u>	<u>370,615</u>

Note 1: Including Reserve for Future Removal and Site Restoration

Note 2: Please see details in Schedule 3. In the 2021 GRA Regulatory Deferral Account balance was provided as a separate line item, now included with other deferral accounts with a detailed breakdown in Schedule 3. Balances are net of contributions.

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

**Schedule 2**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

<b>Line No.</b>	<b>Description</b>	<b>Cross Ref.</b>	<b>2021 GRA Compliance</b>	<b>Actual 2021</b>	<b>Actual 2022</b>	<b>Forecast 2023</b>	<b>Forecast 2024</b>
1	Operating and maintenance	S.5 L.5	43,211	40,096	44,641	49,805	54,096
2	Taxes other than income	S.5 L.6	750	739	743	758	777
3	Non-allowable expenses	S.5 L.12	(120)	(117)	(121)	(120)	(120)
4	Cash operating expenses		43,841	40,718	45,263	50,443	54,752
5	27/365		3,243	3,012	3,348	3,731	4,050
6	Inventory (three year average)		4,014	4,156	4,464	4,683	4,817
7	GST Impact on working capital	S.2A L.11	(165)	(243)	(231)	(204)	(174)
8	Working capital	S.1 L.14	<u>7,092</u>	<u>6,925</u>	<u>7,581</u>	<u>8,211</u>	<u>8,693</u>

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

**Schedule 2A**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	Expenses subject to GST		96,059	50,415	69,788	102,195	139,577
2	GST Rate		5.00%	5.00%	5.00%	5.00%	5.00%
3	GST Recoverable		4,803	2,521	3,489	5,110	6,979
4	Day Factor		14	14	14	14	14
5	Recoverable portion of GST impact		184	97	134	196	268
6	Revenue subject to GST		72,825	70,916	76,032	83,491	92,286
7	GST blended rate		5.00%	5.00%	5.00%	5.00%	5.00%
8	GST payable		3,641	3,546	3,802	4,175	4,614
9	Day factor		35	35	35	35	35
10	Payable portion of GST impact		349	340	365	400	442
11	Net impact of GST on working capital	S.2 L.7	(165)	(243)	(231)	(204)	(174)

**Yukon Energy Corporation**  
**Continuity Schedule of Property, Plant and Equipment, Deferred Costs and Intangible Assets**  
**(\$'000s)**

**Schedule 3**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
<b>Property, Plant and Equipment</b>							
1	Balance at beginning of year		672,467	667,962	691,598	735,254	799,031
2	Net Increases to PPE (Table 5.1)		57,152	26,668	44,506	66,315	92,478
3	Retirements, disposals and adjustments		(1,337)	(3,032)	(850)	(2,538)	-
4	Balance at end of year	S.1 L.2	728,282	691,598	735,254	799,031	891,509
<b>Accumulated depreciation</b>							
5	Balance at beginning of year		185,384	184,570	198,509	211,205	223,831
6	Depreciation expense	S.6 L.7	13,436	14,926	13,308	14,751	16,204
7	Retirements, disposals and adjustments		(417)	(987)	(613)	(2,125)	-
8	Balance at end of year	S.1 L.3	198,403	198,509	211,205	223,831	240,035
Deductions from PP&E:							
9	Disallowed assets		13,192	15,166	15,166	1,388	1,388
10	Accum. Disallowed depreciation		(1,039)	(760)	(1,478)	(483)	(534)
11	Net Disallowed	S.1 L.5	12,152	14,406	13,688	905	854
12	Construction-in-progress	S.1 L.4	40,572	3,808	33,638	80,911	116,829
Miscellaneous Reserves							
13	Fire Insurance Reserve		3,918	3,918	3,656	3,394	3,132
14	LWRF		2,744	2,744	2,895	-	-
15	Reserve for Injuries and Damages		(1,843)	(1,777)	(2,997)	(3,281)	(3,347)
16	Reserve for Future Removal and Site Restoration		2,790	2,738	2,729	1,966	1,966
17	Total Miscellaneous Reserves	S.1 L.6	7,609	7,623	13,283	2,079	1,751
18	Total Deductions		60,333	25,837	60,609	83,895	119,434
19	Net Property, Plant and Equipment for Rate Base		469,545	467,251	463,440	491,305	532,040
Add:							
20	Deferred study costs and Intangible assets (net of contributions)						
21	Feasibility Studies						
22	Opening balance		16,798	15,974	15,149	13,618	11,445
23	Additions		6,686	1,343	107	(150)	1,175
24	Amortization		(2,274)	(2,168)	(1,638)	(2,023)	(2,148)
25	Year-end balance		21,210	15,149	13,618	11,445	10,473
26	Feasibility Studies WIP			10,343	1,255	150	785
27	Relicensing						
28	Opening balance		11,882	12,485	13,884	17,089	26,961
29	Additions		1,745	1,738	3,544	10,692	7,327
30	Amortization		(339)	(339)	(339)	(820)	(901)
31	Year-end balance		13,288	13,884	17,089	26,961	33,387
32	Relicensing WIP			13,425	13,066	23,758	29,867
33	Dam Safety						
34	Opening balance		203	203	229	178	127
35	Additions		80	81	-	-	-
36	Amortization		(64)	(55)	(51)	(51)	(51)
37	Year-end balance		219	229	178	127	76
38	Dam Safety WIP			-	-	-	-
39	Vegetation Management Deferral						
40	Opening balance		1,329	1,329	1,108	886	665
41	Additions		-	-	-	-	-
42	Amortization		(222)	(222)	(222)	(222)	(222)
43	Year-end balance		1,108	1,108	886	665	443
44	Vegetation Management Deferral WIP			-	-	-	-

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
45	Intangibles						
46	Opening balance		5,076	4,952	5,012	4,582	9,523
47	Additions		1,095	926	359	5,976	4,830
48	Amortization		(729)	(866)	(789)	(1,036)	(1,319)
49	Year-end balance		5,442	5,012	4,582	9,523	13,034
50	Intangibles WIP			25	106	175	4,625
51	DSM						
52	Opening balance		876	720	623	736	1,857
53	Additions		120	(4)	208	1,250	1,160
54	Amortization		(161)	(93)	(94)	(130)	(255)
55	Year-end balance		835	623	736	1,857	2,762
56	DSM WIP			145	-	-	-
57	Hearing Reserve						
58	Opening balance		63	182	227	881	1,016
59	Additions		-	101	903	386	-
60	Amortization		(55)	(55)	(250)	(250)	(250)
61	Year-end balance		8	227	881	1,016	766
62	Other Regulatory						
63	Opening balance		1,517	4,793	5,942	5,601	1,606
64	Additions		821	815	(390)	(3,992)	1,600
65	Amortization		(274)	278	(201)	(253)	(189)
66	Hearing Reserve Amortization transfer		55	55	250	250	250
67	Year-end balance		2,119	5,942	5,601	1,606	3,267
68	Regulatory WIP			7,960	6,206	2,259	3,859
69	IPP Cost Deferral						
70	Opening balance		-	-	-	-	-
71	Additions		-	-	-	-	-
72	Amortization		-	-	-	-	-
73	Year-end balance		-	-	-	-	-
74	Defined Benefit Pension Deferral Account						
75	Opening balance		-	-	-	(62)	(62)
76	Additions		-	-	(62)	-	-
77	Amortization		-	-	-	-	-
78	Year-end balance		-	-	(62)	(62)	(62)
79	Total Deferred Costs and Intangible Assets						
80	Opening balance		37,744	40,638	42,173	43,509	53,137
81	Additions		10,547	5,000	4,669	14,162	16,092
82	Amortization		(4,063)	(3,465)	(3,333)	(4,534)	(5,084)
83	Year-end balance	S.1 L.8	44,229	42,173	43,509	53,137	64,145
84	Less: Deferred Costs and Intangible Assets in Progress	S.1 L.9	30,489	29,343	19,476	25,986	38,780
85	Total Net Deferred Costs and Intangible Assets for Rate Base		13,739	12,829	24,033	27,151	25,365
86	Total Net PP&E, Deferred Costs and Intangible Assets for Rate Base	S.1 L.11	483,285	480,081	487,473	518,457	557,405

Notes:

1. In 2021 and 2022 the PAMMS project was under regulatory and transferred to Intangibles in 2023.

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**Yukon Energy Corporation**

**Calculation of Depreciation Expense for 2023**

\$000

Schedule 3A - 2023

2023/24 GRA Compliance Filing

YUB-YEC-1-2 Attachment 1

Description	Cost at 2022 Year End	2023 Additions	2023 Disposals/ Adjustments	Cost at 2023 Year End	Approved Depreciation Rate (Years)	Depreciation Expense for 2023 in August 5, 2024 Compliance Filing*	Calculated Depreciation for 2023 Net Additions	Total Depreciation Expense for 2023
	A	B	C	D=A+B-C	E	F	G=((D-A)/2)//E	H=F+G
<b>Land</b>								
Hydraulic Production	444.9	0.0		444.9	0	0.0	0.0	0.0
Diesel Production	27.7	0.0		27.7	0	0.0	0.0	0.0
Main Transmission Facilities	576.9	0.0		576.9	0	0.0	0.0	0.0
Distribution System	17.8	0.0		17.8	0	0.0	0.0	0.0
General Plant	548.0	0.0		548.0	0	0.0	0.0	0.0
Rights	128.8	0.0	1.6	127.2	50	1.6	0.0	1.6
Depreciation Study Differences						0.0	0.0	0.0
<b>Total Land</b>	<b>1,744.0</b>	<b>0.0</b>	<b>1.6</b>	<b>1,742.4</b>		<b>1.6</b>	<b>0.0</b>	<b>1.6</b>
<b>Hydro Plant</b>								
Structures and Improvements	52,844.5	95.0		52,939.5	72	731.3	0.7	731.9
Buildings and Improvements	10,278.7	0.0		10,278.7	40	257.0	0.0	257.0
Reservoirs, Dams, and Waterways	167,412.1	500.2		167,912.3	103	1,844.9	2.4	1,847.3
Hydro, Dams wtways Twin Assets	6,711.4			6,711.4	103	0.0	0.0	0.0
Overhaul	9,053.0	2,461.0		11,514.0	10	905.3	123.0	1,028.3
Waterwheels, Turbines & Generation	28,222.8	0.0		28,222.8	85	325.4	0.0	325.4
Accessory Electric Equipment	27,366.3	0.0		27,366.3	40	684.2	0.0	684.2
Accessory Digital Equipment	851.2	0.0		851.2	20	42.6	0.0	42.6
Misc Power Plant Equipment	11,691.4	374.0		12,065.5	30	389.7	6.2	395.9
Fencing	107.1	0.0		107.1	30	2.7	0.0	2.7
Depreciation Study Differences						-140.3	0.0	-140.3
<b>Total Hydro Plant</b>	<b>314,538.5</b>	<b>3,430.2</b>	<b>0.0</b>	<b>317,968.7</b>		<b>5,042.6</b>	<b>132.4</b>	<b>5,175.0</b>
<b>Diesel Production</b>								
Structures and Improvements	1,562.4	0.0		1,562.4	72	21.7	0.0	21.7
Buildings and Improvements	474.7	0.0		474.7	55	8.6	0.0	8.6
Fuel Holders, Products, and ACC	2,735.5	0.1		2,735.6	40	45.0	0.0	45.0
Generating Equipment and Prime	14,202.3	5,289.7	1,996.1	17,495.9	40	283.9	41.2	325.1
Overhaul	2,962.8	0.0		2,962.8	5	0.0	0.0	0.0
Minto Generating Equipment	243.5	0.0		243.5	12	0.0	0.0	0.0
Accessory Electric Equipment	9,428.1	51.9	541.9	8,938.0	45	208.4	-5.4	202.9
Misc Power Plant Equipment	1,874.4	0.0		1,874.4	30	60.4	0.0	60.4
Depreciation Study Differences						-74.4	0.0	-74.4
<b>Total Diesel Production</b>	<b>33,483.6</b>	<b>5,341.6</b>	<b>2,538.0</b>	<b>36,287.2</b>		<b>553.7</b>	<b>35.7</b>	<b>589.4</b>
<b>Wind Turbine</b>								
Wind Turbine	0.0	0.0		0.0	0	0.0	0.0	0.0
<b>Total Wind Turbine</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Main Transmission Facilities</b>								
Poles and Fixtures	82,825.5	1,963.3		84,788.8	65	1,274.2	15.1	1,289.3
Brushing	16,756.3	0.0		16,756.3	60	263.2	0.0	263.2
Survey Costs	4,297.2	0.0		4,297.2	60	67.9	0.0	67.9
Overhead Conductors / Poles	20,202.9	0.0		20,202.9	60	313.2	0.0	313.2
Overhead Conductors / Towers	278.0	0.0		278.0	60	4.1	0.0	4.1
Substation Equipment	62,928.1	54.4		62,982.6	54	1,278.4	0.5	1,278.9
Substation VGC Group - Gold Mine	10,688.6	0.0		10,688.6	10	890.7	0.0	890.7
STATCOM - VGC Group - Gold Mine	13,991.5	0.0		13,991.5	10	1,399.1	0.0	1,399.1
Other - VGC Group - Gold Mine	848.0	0.0		848.0	10	84.8	0.0	84.8
Substation Buildings	8,907.6	0.0		8,907.6	55	28.1	0.0	28.1
Substation Fences	274.5	0.0		274.5	30	7.1	0.0	7.1
Depreciation Study Differences						-79.6	0.0	-79.6
<b>Total Main Transmission Facilities</b>	<b>221,998.2</b>	<b>2,017.7</b>	<b>0.0</b>	<b>224,015.9</b>		<b>5,531.2</b>	<b>15.6</b>	<b>5,546.8</b>
<b>Sub Transmission Lines</b>								
Poles and Fixtures	4,584.0	0.0		4,584.0	65	68.5	0.0	68.5
25Kv Minto Spur- Structure	2,646.1	0.0		2,646.1	12	13.3	0.0	13.3
Brushing	41.6	0.0		41.6	60	0.7	0.0	0.7
Brushing Minto	432.5	0.0		432.5	12	2.2	0.0	2.2
Survey costs	0.0	0.0		0.0	60	0.0	0.0	0.0
Survey costs Minto	95.1	0.0		95.1	12	0.5	0.0	0.5
Overhead Conductors	1,837.9	0.0		1,837.9	60	24.3	0.0	24.3
Underground Conductors / Conduit	78.8	0.0		78.8	45	1.8	0.0	1.8
Overhead Conductors Minto	920.7	0.0		920.7	12	4.6	0.0	4.6
Substation Equipment	8,092.8	0.0		8,092.8	54	149.9	0.0	149.9
Substation Equipment Minto	7,111.2	0.0		7,111.2	12	38.8	0.0	38.8
Depreciation Study Differences						-46.0	0.0	-46.0
<b>Total Sub Transmission Lines</b>	<b>25,840.9</b>	<b>0.0</b>	<b>0.0</b>	<b>25,840.9</b>		<b>258.5</b>	<b>0.0</b>	<b>258.5</b>
<b>Distribution System</b>								
Poles and Fixtures	10,354.7	2,403.1		12,757.8	40	246.6	30.0	276.7
Brushing	44.8	0.0		44.8	50	0.9	0.0	0.9
Survey costs	662.9	0.0		662.9	50	13.3	0.0	13.3
Overhead conductors - Poles	285.8	0.0		285.8	50	5.4	0.0	5.4
Overhead Costs	2,119.5	0.0		2,119.5	40	53.0	0.0	53.0
Underground Services	385.2	0.0		385.2	40	9.6	0.0	9.6
Underground Conduit	43.4	0.0		43.4	40	1.1	0.0	1.1
Wind Monitoring Equipment	0.0	0.0		0.0	0	0.0	0.0	0.0

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**Yukon Energy Corporation**

Calculation of Depreciation Expense for 2023  
\$000

Schedule 3A - 2023  
2023/24 GRA Compliance Filing  
YUB-YEC-1-2 Attachment 1

Description	Cost at 2022 Year End	2023 Additions	2023 Disposals/ Adjustments	Cost at 2023 Year End	Approved Depreciation Rate (Years)	Depreciation Expense for 2023 in August 5, 2024 Compliance Filing*	Calculated Depreciation for 2023 Net Additions	Total Depreciation Expense for 2023
	A	B	C	D=A+B-C	E	F	G=((D-A)/2)//E	H=F+G
Meters	312.6	0.0		312.6	16	12.4	0.0	12.4
Meter Equipment	288.4	0.0		288.4	16	11.6	0.0	11.6
Substation Equipment	1,287.2	616.3		1,903.4	40	30.3	7.7	38.0
Substation Buildings	64.8	0.0		64.8	55	1.2	0.0	1.2
Substation Fences	100.3	0.0		100.3	30	3.0	0.0	3.0
Street Lights	603.4	0.0		603.4	40	14.1	0.0	14.1
Line Transformers	4,042.5	0.0		4,042.5	35	111.2	0.0	111.2
Sentinel Lights	36.4	0.0		36.4	30	0.3	0.0	0.3
Depreciation Study Differences						50.0	0.0	50.0
<b>Total Distribution System</b>	<b>20,631.8</b>	<b>3,019.3</b>	<b>0.0</b>	<b>23,651.1</b>		<b>563.8</b>	<b>37.7</b>	<b>601.5</b>
<b>Building and Other Equipment</b>								
Survey Costs Land	4.3	0.0		4.3	50	0.1	0.0	0.1
Structures and Improvements (Hydro)	2,615.2	0.0		2,615.2	50	49.9	0.0	49.9
Building and Improvements	10,587.8	135.0		10,722.8	55	192.5	1.2	193.7
Office Furniture and Equipment	1,919.3	40.0		1,959.3	20	43.1	1.0	44.1
Communication Site Towers	19.3	0.0		19.3	40	0.3	0.0	0.3
Communication Site Fences	88.4	63.7		152.2	30	1.9	1.1	3.0
Computer Hardware	1,437.6	193.0		1,630.6	7	142.4	13.8	156.2
Computer Software	0.0	0.0		0.0	5	0.0	0.0	0.0
Tool and Instruments	2,848.0	366.5		3,214.5	20	111.9	9.2	121.0
Wind Monitoring Equipment	0.0	0.0		0.0	15	0.0	0.0	0.0
Communication Equipment	5,623.4	139.0		5,762.4	20	222.0	3.5	225.5
Company Owned Houses / Land	59.0	0.0		59.0	40	1.1	0.0	1.1
Company Owned Houses	2,152.4	810.2		2,962.6	40	19.2	10.1	29.4
Depreciation Study Differences						-67.3	0.0	-67.3
<b>Total Building and Other Equipment</b>	<b>27,354.8</b>	<b>1,747.4</b>	<b>0.0</b>	<b>29,102.1</b>		<b>717.1</b>	<b>39.8</b>	<b>756.9</b>
<b>Transportation</b>								
Utility Vehicles	357.6	35.0		392.6	8	14.0	2.2	16.2
Sedans and Stationwagons	211.7	0.0		211.7	11	14.8	0.0	14.8
Trucks & Pole Trailer	71.8	0.0		71.8	25	2.9	0.0	2.9
Pole Trailers > 10,000 Lbs	53.7	0.0		53.7	25	2.5	0.0	2.5
Trucks 3/4 to 2 Ton	3,289.7	623.8		3,913.5	9	302.9	34.7	337.6
Trucks > 3 Ton	1,459.8	389.5		1,849.3	20	58.4	9.7	68.1
Foremost	1,003.9	0.0		1,003.9	20	50.2	0.0	50.2
Depreciation Study Differences						19.3	0.0	19.3
<b>Total Transportation</b>	<b>6,448.2</b>	<b>1,048.3</b>	<b>0.0</b>	<b>7,496.4</b>		<b>465.1</b>	<b>46.6</b>	<b>511.7</b>
<b>Critical Spares</b>								
Critical Spares	1,165.7	0.0		1,165.7	0	0.0	0.0	0.0
<b>Total Critical Spares</b>	<b>1,165.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,165.7</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>LNG Production</b>								
Structures and Improvements	6,184.7	0.0		6,184.7	72	85.9	0.0	85.9
Fuel Holders	13,200.7	0.0		13,200.7	60	200.4	0.0	200.4
Generator	20,891.0	0.0		20,891.0	40	522.3	0.0	522.3
Overhaul	548.4	800.0		1,348.4	2	0.0	200.0	200.0
Accessory Electric Equipment	3,655.9	0.0		3,655.9	45	81.2	0.0	81.2
Misc Power Plant Equipment	2,870.0	20.2		2,890.2	30	95.7	0.3	96.0
Fence	779.7	0.0		779.7	30	26.0	0.0	26.0
Depreciation Study Differences						-14.0	0.0	-14.0
<b>Total LNG Production</b>	<b>48,130.4</b>	<b>820.2</b>	<b>0.0</b>	<b>48,950.6</b>		<b>997.5</b>	<b>200.3</b>	<b>1,197.9</b>
<b>Right of Use Assets</b>								
Right of Use Assets	1,180.9	750.1		1,931.0		113.1	0.0	113.1
<b>Total Right of Use Assets</b>	<b>1,180.9</b>	<b>750.1</b>	<b>0.0</b>	<b>1,931.0</b>		<b>113.1</b>	<b>0.0</b>	<b>113.1</b>
<b>Total</b>	<b>702,516.9</b>	<b>18,174.8</b>	<b>2,539.6</b>	<b>718,152.1</b>		<b>14,244.2</b>	<b>508.2</b>	<b>14,752.4</b>

Note:

\* The depreciation expense for the historical assets was calculated through Great Plains as provided in the August 5, 2024 Compliance Filing.

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**Yukon Energy Corporation**

Schedule 3A - 2024

**Calculation of Depreciation Expense for 2024**

2023/24 GRA Compliance Filing

\$000

YUB-YEC-1-2 Attachment 1

Description	Cost at 2023 Year End	2024 Additions	2024 Disposals/ Adjustments	Cost at 2024 Year End	Approved Depreciation Rate (Years)	Depreciation Expense for 2024 in August 5, 2024 Compliance Filing*	Calculated Depreciation for 2023 Net Additions	Total Depreciation Expense for 2024
	A	B	C	D=A+B-C	E	F	G=((D-A)/2)/E	H=F+G
<b>Land</b>								
Hydraulic Production	444.9	0.0		444.9	0	0.0	0.0	0.0
Diesel Production	27.7	0.0		27.7	0	0.0	0.0	0.0
Main Transmission Facilities	576.9	0.0		576.9	0	0.0	0.0	0.0
Distribution System	17.8	0.0		17.8	0	0.0	0.0	0.0
General Plant	548.0	0.0		548.0	0	0.0	0.0	0.0
Rights	127.2	0.0	1.6	125.6	50	1.6	0.0	1.6
Depreciation Study Differences						0.0	0.0	0.0
<b>Total Land</b>	<b>1,742.4</b>	<b>0.0</b>	<b>1.6</b>	<b>1,740.9</b>		<b>1.6</b>	<b>0.0</b>	<b>1.6</b>
<b>Hydro Plant</b>								
Structures and Improvements	52,939.5	2,874.4		55,813.8	72	732.6	20.0	752.6
Buildings and Improvements	10,278.7	0.0		10,278.7	40	257.0	0.0	257.0
Reservoirs, Dams, and Waterways	167,912.3	0.0		167,912.3	103	1,849.7	0.0	1,849.7
Hydro, Dams wtways Twin Assets	6,711.4	0.0		6,711.4	103	0.0	0.0	0.0
Overhaul	11,514.0	2,200.0		13,714.0	10	1,151.4	110.0	1,261.4
Waterwheels, Turbines & Generation	28,222.8	0.0		28,222.8	85	325.4	0.0	325.4
Accessory Electric Equipment	27,366.3	0.0		27,366.3	40	684.2	0.0	684.2
Accessory Digital Equipment	851.2	0.0		851.2	20	42.6	0.0	42.6
Misc Power Plant Equipment	12,065.5	1,321.7		13,387.2	30	402.2	22.0	424.2
Fencing	107.1	0.0		107.1	30	2.7	0.0	2.7
Depreciation Study Differences						-140.3	0.0	-140.3
<b>Total Hydro Plant</b>	<b>317,968.7</b>	<b>6,396.1</b>	<b>0.0</b>	<b>324,364.8</b>		<b>5,307.3</b>	<b>152.0</b>	<b>5,459.3</b>
<b>Diesel Production</b>								
Structures and Improvements	1,562.4	0.0		1,562.4	72	21.7	0.0	21.7
Buildings and Improvements	474.7	0.0		474.7	55	8.6	0.0	8.6
Fuel Holders, Products, and ACC	2,735.6	0.0		2,735.6	40	45.1	0.0	45.1
Generating Equipment and Prime	17,495.9	18,585.8		36,081.6	40	415.3	232.3	647.6
Overhaul	2,962.8	0.0		2,962.8	5	0.0	0.0	0.0
Minto Generating Equipment	243.5	0.0		243.5	12	0.0	0.0	0.0
Accessory Electric Equipment	8,938.0	0.0		8,938.0	45	198.6	0.0	198.6
Misc Power Plant Equipment	1,874.4	50.0		1,924.4	30	60.4	0.8	61.3
Depreciation Study Differences						-74.4	0.0	-74.4
<b>Total Diesel Production</b>	<b>36,287.2</b>	<b>18,635.8</b>	<b>0.0</b>	<b>54,923.0</b>		<b>675.4</b>	<b>233.2</b>	<b>908.5</b>
<b>Wind Turbine</b>								
Wind Turbine	0.0	0.0		0.0	0	0.0	0.0	0.0
<b>Total Wind Turbine</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Main Transmission Facilities</b>								
Poles and Fixtures	84,788.8	16,448.9		101,237.6	65	1,304.3	126.5	1,430.8
Brushing	16,756.3	0.0		16,756.3	60	263.8	0.0	263.8
Survey Costs	4,297.2	0.0		4,297.2	60	68.0	0.0	68.0
Overhead Conductors / Poles	20,202.9	0.0		20,202.9	60	314.0	0.0	314.0
Overhead Conductors / Towers	278.0	0.0		278.0	60	4.2	0.0	4.2
Substation Equipment	62,982.6	3,308.9		66,291.5	54	1,276.6	30.6	1,307.2
Substation VGC Group - Gold Mine	10,688.6	0.0		10,688.6	10	890.7	0.0	890.7
STATCOM - VGC Group - Gold Mine	13,991.5	0.0		13,991.5	10	1,399.1	0.0	1,399.1
Other - VGC Group - Gold Mine	848.0	0.0		848.0	10	84.8	0.0	84.8
Substation Buildings	8,907.6	0.0		8,907.6	55	28.1	0.0	28.1
Substation Fences	274.5	0.0		274.5	30	7.1	0.0	7.1
Depreciation Study Differences						-79.6	0.0	-79.6
<b>Total Main Transmission Facilities</b>	<b>224,015.9</b>	<b>19,757.8</b>	<b>0.0</b>	<b>243,773.6</b>		<b>5,561.1</b>	<b>157.2</b>	<b>5,718.3</b>
<b>Sub Transmission Lines</b>								
Poles and Fixtures	4,584.0	0.0		4,584.0	65	68.5	0.0	68.5
25Kv Minto Spur- Structure	2,646.1	0.0		2,646.1	12	13.3	0.0	13.3
Brushing	41.6	0.0		41.6	60	0.7	0.0	0.7
Brushing Minto	432.5	0.0		432.5	12	2.2	0.0	2.2
Survey costs	0.0	0.0		0.0	60	0.0	0.0	0.0
Survey costs Minto	95.1	0.0		95.1	12	0.5	0.0	0.5
Overhead Conductors	1,837.9	0.0		1,837.9	60	24.4	0.0	24.4
Underground Conductors / Conduit	78.8	0.0		78.8	45	1.8	0.0	1.8
Overhead Conductors Minto	920.7	0.0		920.7	12	4.6	0.0	4.6
Substation Equipment	8,092.8	50.0		8,142.8	54	149.9	0.5	150.3
Substation Equipment Minto	7,111.2	0.0		7,111.2	12	38.8	0.0	38.8
Depreciation Study Differences						-46.0	0.0	-46.0
<b>Total Sub Transmission Lines</b>	<b>25,840.9</b>	<b>50.0</b>	<b>0.0</b>	<b>25,890.9</b>		<b>258.6</b>	<b>0.5</b>	<b>259.1</b>
<b>Distribution System</b>								
Poles and Fixtures	12,757.8	1,735.6		14,493.3	40	307.3	21.7	329.0
Brushing	44.8	0.0		44.8	50	0.9	0.0	0.9
Survey costs	662.9	0.0		662.9	50	13.3	0.0	13.3
Overhead conductors - Poles	285.8	1,926.8		2,212.6	50	5.4	19.3	24.7
Overhead Costs	2,119.5	0.0		2,119.5	40	53.0	0.0	53.0
Underground Services	385.2	0.0		385.2	40	9.6	0.0	9.6
Underground Conduit	43.4	0.0		43.4	40	1.1	0.0	1.1
Wind Monitoring Equipment	0.0	0.0		0.0	0	0.0	0.0	0.0

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**Yukon Energy Corporation**

**Calculation of Depreciation Expense for 2024**

\$000

Schedule 3A - 2024

2023/24 GRA Compliance Filing

YUB-YEC-1-2 Attachment 1

Description	Cost at 2023 Year End	2024 Additions	2024 Disposals/ Adjustments	Cost at 2024 Year End	Approved Depreciation Rate (Years)	Depreciation Expense for 2024 in August 5, 2024 Compliance Filing*	Calculated Depreciation for 2023 Net Additions	Total Depreciation Expense for 2024
	A	B	C	D=A+B-C	E	F	G=((D-A)/2)/E	H=F+G
Meters	312.6	0.0		312.6	16	5.6	0.0	5.6
Meter Equipment	288.4	0.0		288.4	16	7.0	0.0	7.0
Substation Equipment	1,903.4	0.0		1,903.4	40	45.7	0.0	45.7
Substation Buildings	64.8	0.0		64.8	55	1.2	0.0	1.2
Substation Fences	100.3	0.0		100.3	30	3.0	0.0	3.0
Street Lights	603.4	0.0		603.4	40	14.1	0.0	14.1
Line Transformers	4,042.5	0.0		4,042.5	35	111.5	0.0	111.5
Sentinel Lights	36.4	0.0		36.4	30	0.3	0.0	0.3
Depreciation Study Differences						50.0	0.0	50.0
<b>Total Distribution System</b>	<b>23,651.1</b>	<b>3,662.3</b>	<b>0.0</b>	<b>27,313.5</b>		<b>628.9</b>	<b>41.0</b>	<b>669.8</b>
<b>Building and Other Equipment</b>								
Survey Costs Land	4.3	0.0		4.3	50	0.1	0.0	0.1
Structures and Improvements (Hydro)	2,615.2	4,246.7		6,861.8	50	50.0	42.5	92.5
Building and Improvements	10,722.8	90.0		10,812.8	55	195.0	0.8	195.8
Office Furniture and Equipment	1,959.3	25.0		1,984.3	20	43.3	0.6	44.0
Communication Site Towers	19.3	0.0		19.3	40	0.3	0.0	0.3
Communication Site Fences	152.2	25.0		177.2	30	4.0	0.4	4.5
Computer Hardware	1,630.6	730.0		2,360.6	7	153.4	52.1	205.5
Computer Software	0.0	0.0		0.0	5	0.0	0.0	0.0
Tool and Instruments	3,214.5	880.0		4,094.5	20	128.6	22.0	150.6
Wind Monitoring Equipment	0.0	0.0		0.0	15	0.0	0.0	0.0
Communication Equipment	5,762.4	260.0		6,022.4	20	223.2	6.5	229.7
Company Owned Houses / Land	59.0	0.0		59.0	40	1.1	0.0	1.1
Company Owned Houses	2,962.6	0.0		2,962.6	40	39.5	0.0	39.5
Depreciation Study Differences						-67.3	0.0	-67.3
<b>Total Building and Other Equipment</b>	<b>29,102.1</b>	<b>6,256.7</b>	<b>0.0</b>	<b>35,358.8</b>		<b>771.2</b>	<b>125.0</b>	<b>896.2</b>
<b>Transportation</b>								
Utility Vehicles	392.6	35.0		427.6	8	16.9	2.2	19.1
Sedans and Stationwagons	211.7	0.0		211.7	11	14.8	0.0	14.8
Trucks & Pole Trailer	71.8	0.0		71.8	25	2.9	0.0	2.9
Pole Trailers > 10,000 Lbs	53.7	0.0		53.7	25	2.6	0.0	2.6
Trucks 3/4 to 2 Ton	3,913.5	567.0		4,480.5	9	336.8	31.5	368.3
Trucks > 3 Ton	1,849.3	0.0		1,849.3	20	77.9	0.0	77.9
Foremost	1,003.9	0.0		1,003.9	20	50.2	0.0	50.2
Depreciation Study Differences						19.3	0.0	19.3
<b>Total Transportation</b>	<b>7,496.4</b>	<b>602.0</b>	<b>0.0</b>	<b>8,098.4</b>		<b>521.3</b>	<b>33.7</b>	<b>555.0</b>
<b>Critical Spares</b>								
Critical Spares	1,165.7	0.0		1,165.7	0	0.0	0.0	0.0
<b>Total Critical Spares</b>	<b>1,165.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,165.7</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>LNG Production</b>								
Structures and Improvements	6,184.7	0.0		6,184.7	72	85.9	0.0	85.9
Fuel Holders	13,200.7	0.0		13,200.7	60	201.0	0.0	201.0
Generator	20,891.0	0.0		20,891.0	40	522.3	0.0	522.3
Overhaul	1,348.4	400.0		1,748.4	2	400.0	100.0	500.0
Accessory Electric Equipment	3,655.9	0.0		3,655.9	45	81.2	0.0	81.2
Misc Power Plant Equipment	2,890.2	800.0		3,690.2	30	96.3	13.3	109.7
Fence	779.7	0.0		779.7	30	26.0	0.0	26.0
Depreciation Study Differences						-14.0	0.0	-14.0
<b>Total LNG Production</b>	<b>48,950.6</b>	<b>1,200.0</b>	<b>0.0</b>	<b>50,150.6</b>		<b>1,398.7</b>	<b>113.3</b>	<b>1,512.1</b>
<b>Right of Use Assets</b>								
Right of Use Assets	1,931.0	0.0		1,931.0		225.6	0.0	225.6
<b>Total Right of Use Assets</b>	<b>1,931.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,931.0</b>		<b>225.6</b>	<b>0.0</b>	<b>225.6</b>
<b>Total</b>	<b>718,152.1</b>	<b>56,560.7</b>	<b>1.6</b>	<b>774,711.2</b>		<b>15,349.7</b>	<b>855.7</b>	<b>16,205.5</b>

Note:

\* The depreciation expense for the historical assets was calculated through Great Plains plus depreciation for 2023 additions as provided in the August 5, 2024 Compliance Filing.

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**YUKON ENERGY CORPORATION**

**Calculation of Amortization Expense for Deferred Costs and Intangibles (2023)**

**Schedule 3B - 2023**

**2023/24 GRA Compliance Filing**

**YUB-YEC-1-2 Attachment 1**

\$000

	Total Expenditures			NBV		Amortization Period	2023 Forecast Expenses
	Dec 31	2023 Forecast	Dec 31	Dec 31			
	2022	Additions	Transfers /Retired	2023	2022		
<b>Feasibility Study</b>							
<b>Completed Projects:</b>							
Gladstone	4,521			4,521	1,809	10	452
Disaster Recovery Plan	4			4	0	5	0
N-1 Event Risk Assessment	129			129	26	5	26
Dyke Heating Pipe Assessment	68			68	24	5	14
Dawson DT Distribution Upgrade	79			79	31	5	16
Water Study Main Building	13			13	4	5	3
BCP GAP Analysis	75			75	30	5	15
Study Road Infrastructure May A&B	15			15	4	5	3
Mayo & Aishihik Climate Change	667			667	345	5	133
Elevator Study Aishik	6			6	3	5	1
Radio Repeater Assessment	25			25	15	5	5
Transmission Line Access Plan	88			88	53	5	18
Mt Sumanik Wind Feasibility St	744			744	447	5	149
Small Hydro Project	16			16	7	5	3
Mayo Earthworks	90			90	61	5	18
FD7 Condition Assessment	73			73	57	5	15
Wareham Spillgate Leakage Reduction	53			53	42	5	11
P125 Intake Trash Rack Cleaning System	59			59	47	5	12
PMF Flood Study	78			78	58	5	16
IPP SOP Implementation	326	70		396	261	5	72
WH Post-Flood Assessment	115			115	107	5	23
Emergency Preparedness Improvement	60			60	60	5	12
P126 Building Renovation	196			196	196	5	39
WH4 Low Water Cavitation Study & Recommendation	47			47	46	5	9
WTE Contributions	(283)			(283)	(7)	5	(7)
Southern Lakes Enhanced Storage	8,784			8,784	8,638	10	878
System Wide Stability Study		200		200	-	5	20
System Wide Arc Flash Study		198		198	-	5	20
Mayo Civil Infrastructure Refurbishment Planning		168		168	-	5	17
Other Projects with <\$100k Spending		319		319	-	5	32
<b>Total Feasibility Study Closed</b>	<b>16,047</b>	<b>955</b>	<b>-</b>	<b>17,003</b>	<b>12,363</b>		<b>2,023</b>
<b>Regulatory</b>							
<b>Completed Projects:</b>							
DSM	3,378	1,272		4,649	2,253	10	401
YUB 2007-8 - Part 3 Hearing	185			185	123	45	4
Asset Appraisal-Replace Cost	47			47	3	5	3
Victoria Gold PPA	142			142	17	5	17
LED Streetlight 2015/2018	261			261	52	5	52
10 Year Renewable Energy Plan	634			634	380	5	127
DSM Contributions	(2,080)	(22)		(2,102)	(1,517)	10	(209)
Victoria Gold PPA Contributions	(100)			(100)	(12)	5	(12)
Atlin EPA Section 18 Proceeding (Hearing Reserve Acct)		386		386		Hearing Reserve	
GRA 2020-2021 (Hearing Reserve Acct)		23		23		Hearing Reserve	
<b>Total Regulatory Closed</b>	<b>2,465</b>	<b>1,659</b>	<b>-</b>	<b>4,124</b>	<b>1,300</b>		<b>383</b>
<b>Relicensing</b>							
<b>Completed Projects:</b>							
Aishihik 2020 3 Year Relicensing	112			112	6	3	6
Aishihik 2022 5 Year Relicensing	3,903			3,903	3,903	5	781
Whitehorse Hatchery Water Relicensing	40			40	34	25	2
Whitehorse Relicensing	286			286	46	License term	21 *
Mayo Relicensing	129			129	33	License term	11 *
<b>Total Relicensing Closed</b>	<b>4,470</b>	<b>-</b>	<b>-</b>	<b>4,470</b>	<b>4,023</b>		<b>820</b>
<b>Dam Safety Review</b>							
Completed projects	254			254	178	5	51
<b>Total Deferred Costs</b>	<b>23,237</b>	<b>2,614</b>	<b>0</b>	<b>25,852</b>	<b>17,864</b>		<b>3,277</b>
<b>Intangibles</b>							
<b>Completed Projects:</b>							
Software Costs	1,185	441		1,627	690	5	270 **
Financial Software Costs	2,836			2,836	37	10	37 **
EAM Purchase and Implementation	4,550			4,550	3,750	10	455
PAMMS Asset Management Framework		5,466		5,466		10	273
<b>Total Intangibles Closed</b>	<b>8,572</b>	<b>5,907</b>	<b>-</b>	<b>14,479</b>			<b>1,036</b>
<b>Total Deferred and Intangibles Closed</b>	<b>31,809</b>	<b>8,522</b>	<b>0</b>	<b>40,331</b>			<b>4,313</b>

Notes:

1. This table does not include projects with zero net book value in the beginning of the year.

\* The licensing cost amortization reflects the amortization of a number of licensing related projects [fisheries, control structure, salmon enhancement, etc.] over the years with amortization period ending 2025 [the current water use licence term].

\*\* Includes a number of small projects.

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**YUKON ENERGY CORPORATION**

**Calculation of Amortization Expense for Deferred Costs and Intangibles (2024)**

\$000

**Schedule 3B - 2024**

**2023/24 GRA Compliance Filing**

**YUB-YEC-1-2 Attachment 1**

	Total Expenditures			NBV		Amortization Period	2024 Forecast Expenses
	Dec 31	2024 Forecast	Dec 31	Dec 31	2023		
	2023	Additions	Transfers /Retired	2024			
<b>Feasibility Study</b>							
Completed Projects:							
Gladstone	4,521			4,521	1,356	10	452
Dyke Heating Pipe Assessment	68			68	10	5	10
Dawson DT Distribution Upgrade	79			79	16	5	16
Water Study Main Building	13			13	1	5	1
BCP GAP Analysis	75			75	15	5	15
Study Road Infrastructure May A&B	15			15	1	5	1
Mayo & Aishihik Climate Change	667			667	211	5	133
Elevator Study Aishik	6			6	2	5	1
Radio Repeater Assessment	25			25	10	5	5
Transmission Line Access Plan	88			88	35	5	18
Mt Sumanik Wind Feasibility St	744			744	298	5	149
Small Hydro Project	16			16	3	5	3
Mayo Earthworks	90			90	43	5	18
FD7 Condition Assessment	73			73	42	5	15
Wareham Spillgate Leakage Reduction	53			53	32	5	11
P125 Intake Trash Rack Cleaning System	59			59	36	5	12
PMF Flood Study	78			78	43	5	16
IPP SOP Implementation	396			396	259	5	79
WH Post-Flood Assessment	115			115	84	5	23
Emergency Preparedness Improvement	60			60	48	5	12
P126 Building Renovation	196			196	157	5	39
WH4 Low Water Cavitation Study & Recommendation	47			47	37	5	9
Southern Lakes Enhanced Storage	8,784			8,784	7,759	10	878
System Wide Stability Study	200			200	180	5	40
System Wide Arc Flash Study	198			198	178	5	40
Mayo Civil Infrastructure Refurbishment Planning	168			168	152	5	34
Transmission Line Detailed Inspection Program		250		250		5	25
Gates/TIV's Certification Assessment System Wide		200		200		5	20
Breaker Condition Assessment		100		100		5	10
Other Projects with <\$100k Spending	319	(10)		309	287	5	63
<b>Total Feasibility Study Closed</b>	<b>17,153</b>	<b>540</b>	<b>-</b>	<b>17,693</b>	<b>11,295</b>		<b>2,148</b>
<b>Regulatory</b>							
Completed Projects:							
DSM	4,649	1,160		5,809	3,124	10	523
YUB 2007-8 - Part 3 Hearing	185			185	119	45	4
10 Year Renewable Energy Plan	634			634	254	5	127
DSM Contributions	(2,102)			(2,102)	(1,330)	10	(210)
Atlin EPA Section 18 Proceeding (Hearing Reserve Acct)	386			386		Hearing Reserve	
GRA 2020-2021 (Hearing Reserve Acct)	23			23		Hearing Reserve	
GRA 2023-2024 (Hearing Reserve Acct)		-		-		Hearing Reserve	
<b>Total Regulatory Closed</b>	<b>3,775</b>	<b>1,160</b>	<b>-</b>	<b>4,935</b>	<b>2,167</b>		<b>444</b>
<b>Relicensing</b>							
Completed Projects:							
Aishihik 2022 5 Year Relicensing	3,903	804		4,708	3,123	5	861
Whitehorse Hatchery Water Relicensing	40			40	33	25	2
Whitehorse Relicensing	286			286	25	License term	20 *
Mayo Relicensing	129			129	22	License term	11 *
WRGS Thermal Assessment & Permitting		413		413		25	8
<b>Total Relicensing Closed</b>	<b>4,358</b>	<b>1,217</b>	<b>-</b>	<b>5,575</b>	<b>3,203</b>		<b>902</b>
<b>Dam Safety Review</b>							
Completed projects							
	254			254	127	5	51
<b>Total Deferred Costs</b>	<b>25,541</b>	<b>2,917</b>	<b>0</b>	<b>28,458</b>	<b>16,792</b>		<b>3,544</b>
<b>Intangibles</b>							
Completed Projects:							
Software Costs	1,627	380		2,007	860	5	317 **
Financial Software Costs	2,836			2,836	0	10	(0) **
EAM Purchase and Implementation	4,550			4,550	3,295	10	455
PAMMS Asset Management Framework	5,466			5,466	5,193	10	547
<b>Total Intangibles Closed</b>	<b>14,479</b>	<b>380</b>	<b>-</b>	<b>14,859</b>	<b>9,348</b>		<b>1,319</b>
<b>Total Deferred and Intangibles Closed</b>	<b>40,020</b>	<b>3,297</b>	<b>0</b>	<b>43,317</b>	<b>26,140</b>		<b>4,863</b>

Notes:

1. This table does not include projects with zero net book value in the beginning of the year.

\* The licensing cost amortization reflects the amortization of a number of licensing related projects [fisheries, control structure, salmon enhancement, etc.] over the years with amortization period ending 2025 [the current water use licence term].

\*\* Includes a number of small projects.

Yukon Energy Corporation  
2023/24 General Rate Application – Compliance Filing  
YUB-YEC-1-2 Attachment 1

**Yukon Energy Corporation**  
**Cost of Capital Calculation**  
**(\$000s)**

**Schedule 4**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	Mid Year Balance	Ratio	Deemed Ratio	Mid Year Rate Base	Mid Year Cost Rate	Return
<b>2021 GRA Compliance</b>					<b>Deemed Ratio</b>			
1	Long-Term debt	S.11 L.19	185,526	60.0%	60.0%	185,679	2.94%	5,453
2	Common Stock		<u>123,705</u>	<u>40.0%</u>	<u>40.0%</u>	<u>123,786</u>	<u>8.65%</u>	<u>10,708</u>
3	Total	S.5 L.3	<u>309,231</u>	<u>100.0%</u>	<u>100.0%</u>	<u>309,466</u>	<u>5.22%</u>	<u>16,161</u>
<b>2021 Actual</b>								
7	Long-Term debt	S.11 L.19	175,620	57.8%		173,892	2.93%	5,102
8	Common Stock		<u>128,322</u>	<u>42.2%</u>		<u>127,060</u>	<u>8.93%</u>	<u>11,346</u>
9	Total	S.5 L.3	<u>303,942</u>	<u>100.0%</u>		<u>300,951</u>	<u>5.47%</u>	<u>16,448</u>
<b>2022 Actual</b>								
10	Long-Term debt	S.11 L.19	181,949	56.0%		172,289	2.88%	4,966
11	Common Stock		<u>143,101</u>	<u>44.0%</u>		<u>135,504</u>	<u>9.87%</u>	<u>13,390</u>
12	Total	S.5 L.3	<u>325,050</u>	<u>100.0%</u>		<u>307,793</u>	<u>3.17%</u>	<u>18,356</u>
<b>Forecast 2023</b>					<b>Deemed Ratio</b>			
13	Long-Term debt	S.11 L.19	198,417	57.9%	60.0%	198,811	3.29%	6,531
14	Common Stock		<u>143,993</u>	<u>42.1%</u>	<u>40.0%</u>	<u>132,541</u>	<u>9.15%</u>	<u>12,128</u>
15	Total	S.5 L.3	<u>342,410</u>	<u>100.0%</u>	<u>100.0%</u>	<u>331,352</u>	<u>5.63%</u>	<u>18,659</u>
<b>Forecast 2024</b>					<b>Deemed Ratio</b>			
19	Long-Term debt	S.11 L.19	222,224	60.0%	60.0%	222,369	3.42%	7,615
20	Common Stock		<u>147,893</u>	<u>40.0%</u>	<u>40.0%</u>	<u>148,246</u>	<u>9.15%</u>	<u>13,564</u>
21	Total	S.5 L.3	<u>370,118</u>	<u>100.0%</u>	<u>100.0%</u>	<u>370,615</u>	<u>5.71%</u>	<u>21,179</u>

**Yukon Energy Corporation**  
**Utility Revenue Requirement**  
**(\$000s)**

**Schedule 5**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	Net rate base	S.1 L.23	309,466	300,951	307,793	331,352	370,615
2	Average Rate of return on rate base		5.22%	5.47%	5.96%	5.63%	5.71%
3	Utility income	S.8 L.1	16,161	16,448	18,356	18,659	21,179
4	Utility expenses						
5	Operating and maintenance (note 1)	S.6 L.3	43,211	40,096	44,641	49,805	54,096
6	Taxes other than income	S.6 L.4	750	739	743	758	777
7	Amortization of deferred costs	S.6 L.5	4,063	5,529	4,032	5,012	5,544
8	Reserve for Injuries and Damages	S.6 L.6	616	616	616	616	616
9	Depreciation	S.6 L.7	13,436	14,927	13,310	14,752	16,205
10	Amortization of contributions and fire insurance recoveries	S.6 L.8	(4,684)	(6,347)	(5,384)	(5,940)	(5,959)
11	Disallowed depreciation		(238)	(416)	(718)	(51)	(51)
12	Donations		(120)	(117)	(121)	(120)	(120)
13	Total utility expenses		<u>57,033</u>	<u>55,026</u>	<u>57,119</u>	<u>64,832</u>	<u>71,107</u>
14	Revenue Requirement	S.6 L.1	<u>73,193</u>	<u>71,473</u>	<u>75,475</u>	<u>83,491</u>	<u>92,286</u>

Note 1: Includes fuel expenses and purchased power.

**Yukon Energy Corporation**  
**Statement of Earnings**  
**(\$000s)**

**Schedule 6**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	Revenues (note 1)	S.5 L.14	73,193	71,473	75,475	83,491	92,286
2	<b>Operating expenses</b>						
3	Operating and maintenance	S.10 L.15	43,211	40,096	44,641	49,805	54,096
4	Taxes other than income	S.5 L.6	750	739	743	758	777
5	Amortize deferred costs		4,063	5,529	4,032	5,012	5,544
6	Reserve for Injuries and Damages	S.5 L.8	616	616	616	616	616
7	Depreciation		13,436	14,927	13,310	14,752	16,205
8	Amortization of contributions and fire insurance recoveries	S.5 L.10	(4,684)	(6,347)	(5,384)	(5,940)	(5,959)
9	Total		<u>57,391</u>	<u>55,559</u>	<u>57,957</u>	<u>65,003</u>	<u>71,279</u>
10	<b>Operating income</b>		15,802	15,914	17,518	18,488	21,008
11	<b>Other income</b>						
12	Allowed for Funds Used	S.8 L.2	1,188	942	1,060	1,989	3,354
13	Miscellaneous (note 2)	S.8 L.3	(131)	(812)	(888)	(1,363)	(3,113)
14	Total		<u>1,057</u>	<u>130</u>	<u>172</u>	<u>626</u>	<u>241</u>
15	<b>Other expenses</b>						
16	Interest expense	S.8 L.4	5,655	2,768	(1,822)	8,668	10,146
17	Total		<u>5,655</u>	<u>2,768</u>	<u>(1,822)</u>	<u>8,668</u>	<u>10,146</u>
18	<b>Net earnings</b>	S.8 L.8	<u>11,205</u>	<u>13,276</u>	<u>19,512</u>	<u>10,445</u>	<u>11,102</u>

Note 1: Includes revenues from sales and other revenues.

Note 2: Miscellaneous primarily consistent of Regulatory gain/losses and other interest income/expenses.

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

**Schedule 7**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	Balance at beginning of year		68,883	64,263	82,445	93,820	84,229
	Add:						
2	Net earnings	S.6 L.18	11,205	13,276	19,512	10,445	11,102
3	IFRS Comprehensive Income Adjustment			4,906	3,364	-	-
4	Balance at end of year before dividend		<u>80,088</u>	<u>82,445</u>	<u>105,320</u>	<u>104,265</u>	<u>95,331</u>
	Less:						
5	Common Dividends (note 1)		<u>13,592</u>	<u>-</u>	<u>11,500</u>	<u>20,037</u>	<u>-</u>
6	Balance at end of year		<u>66,495</u>	<u>82,445</u>	<u>93,820</u>	<u>84,229</u>	<u>95,331</u>
	<b>Shareholder's Equity</b>						
7	Common shares		56,294	54,968	54,968	54,968	61,258
8	Retained earnings		66,495	82,445	93,820	84,229	95,331
9	Total		<u>122,789</u>	<u>137,413</u>	<u>148,788</u>	<u>139,197</u>	<u>156,589</u>

Note:

1. YDC equity injection/dividend estimates required in order to maintain 60/40 debt to equity ratio.

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

**Schedule 8**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	Utility Income (Return on Rate Base)	S.5 L.3	16,161	16,448	18,356	18,659	21,179
	Add:						
2	Allowance for funds used	S.6 L.12	1,188	942	1,060	1,989	3,354
3	Other income (expenses)	S.6 L.13	(131)	(812)	(888)	(1,363)	(3,113)
			<u>17,218</u>	<u>16,578</u>	<u>18,528</u>	<u>19,285</u>	<u>21,419</u>
	Less:						
4	Interest - long-term	S.6 L.17	5,655	2,768	(1,822)	8,668	10,146
5	Donations	S.5 L.12	120	117	121	120	120
6	Disallowed costs		-	-	-	-	-
7	Disallowed depreciation	S.5 L.11	238	416	718	51	51
			<u>6,013</u>	<u>3,302</u>	<u>(983)</u>	<u>8,840</u>	<u>10,317</u>
8	Net earnings	S.6 L.18	11,205	13,276	19,512	10,445	11,102

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

**Schedule 9**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	<b>Residential</b>					
2	Customers	1,780	1,813	1,822	1,858	1,898
3	Sales in MWh	16,210	17,421	17,334	17,693	18,090
4	MWh sales per customer	9.1	9.6	9.5	9.5	9.5
5	Revenue (\$000s)	2,384	2,513	2,472	2,532	2,611
6	Cents per KWh	14.7	14.4	14.3	14.3	14.4
7	<b>General Service</b>					
8	Customers	514	528	519	529	536
9	Sales in MWh	32,323	29,584	30,662	38,569	44,698
10	MWh sales per customer	62.9	56.0	59.1	72.9	83.4
11	Revenue (\$000s)	5,388	4,911	5,005	6,272	7,175
12	Cents per KWh	16.7	16.6	16.3	16.3	16.1
13	<b>Industrial</b>					
14	Sales in MWh	102,904	91,143	95,169	75,045	69,368
15	Revenue (\$000s)	11,481	11,129	12,206	9,772	8,809
16	Cents per KWh	11.2	12.2	12.8	13.0	12.7
17	<b>Street lights</b>					
18	Sales in MWh	168	168	168	168	168
19	Revenue (\$000s)	82	82	82	82	82
20	Cents per KWh	48.8	48.8	48.9	48.9	48.9
21	<b>Space lights</b>					
22	Sales in MWh	10	9	9	9	9
23	Revenue (\$000s)	3	2	2	2	2
24	Cents per KWh	26.6	27.2	27.3	27.3	27.3
25	<b>Total Company - Firm Retail and Industrial</b>					
26	Customers	2,293	2,341	2,341	2,387	2,434
27	Sales in MWh	151,614	138,325	143,341	131,484	132,333
28	Revenue (\$000s)	19,337	18,638	19,767	18,660	18,679
29	Cents per KWh	12.8	13.5	13.8	14.2	14.1
30	<b>Wholesale sales</b>					
31	Sales in MWh	343,537	348,983	346,339	351,291	362,365
32	Revenue (\$000s)	28,507	28,959	29,170	29,150	30,069
33	Cents per KWh	8.3	8.3	8.4	8.3	8.3
34	<b>Total Company - Firm</b>					
35	Sales in MWh	495,151	487,308	489,680	482,775	494,699
36	Revenue (\$000s)	47,844	47,597	48,937	47,810	48,748
37	Cents per KWh	9.7	9.8	10.0	9.9	9.9
38	<b>Secondary</b>					
39	Sales in MWh	0	4,739	3,448	2,931	2,931
40	Revenue (\$000s)	0	330	365	358	358
41	Cents per KWh	0.0	7.0	10.6	12.2	12.2
42	<b>Total Company</b>					
43	Sales in MWh	495,151	492,047	493,128	485,706	497,630
44	Revenue (\$000s)	47,844	47,927	49,302	48,168	49,106
45	Cents per KWh	9.7	9.7	10.0	9.9	9.9
46	Rider J	15,887	19,430	26,348	26,282	26,194
47	GRA Increase Req'd	9,149			8,647	16,592
48	Total Sales of Power	<u>72,880</u>	<u>67,357</u>	<u>75,650</u>	<u>83,096</u>	<u>91,892</u>
49	Other Revenues	369	-1,471	382	394	394
50	Total Revenues	73,249	65,886	76,032	83,491	92,286

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

**Schedule 10**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
1	<b>Utility operations</b>						
2	Production		10,438	10,360	11,320	13,483	15,531
3	Transmission and distribution		3,188	3,133	2,972	3,468	3,267
4	General		1,763	1,628	1,699	1,711	1,615
5	Administration and general		10,397	10,641	11,603	12,705	13,092
6	Insurance		1,423	1,550	1,875	2,190	2,417
7	Sub-total		<u>27,209</u>	<u>27,312</u>	<u>29,469</u>	<u>33,556</u>	<u>35,922</u>
8	Donations		120	117	121	120	120
9	Sub-total		<u>120</u>	<u>117</u>	<u>121</u>	<u>120</u>	<u>120</u>
10	O&M not including fuel and						
11	purchased power		<u>27,329</u>	<u>27,429</u>	<u>29,590</u>	<u>33,676</u>	<u>36,042</u>
12	Fuel		15,829	12,618	14,725	15,748	15,295
13	Purchased power		53	49	326	380	2,759
14	Sub-total		<u>15,882</u>	<u>12,667</u>	<u>15,051</u>	<u>16,128</u>	<u>18,054</u>
15	Total operating and maintenance	S.6 L.3	<u>43,211</u>	<u>40,096</u>	<u>44,641</u>	<u>49,805</u>	<u>54,096</u>
	<b><i>O&amp;M Expense Reported in Tab 3 excludes fuel and purchase power, but also includes the following:</i></b>						
16	Reserve for Injuries and Damages		616	616	616	616	616
17	Property Taxes		750	739	743	758	777
18	less: Donations		<u>-120</u>	<u>-117</u>	<u>-121</u>	<u>-120</u>	<u>-120</u>
19	O&M per Table 3.3 (Tab 3)		<u>28,575</u>	<u>28,667</u>	<u>30,828</u>	<u>34,930</u>	<u>37,314</u>

**Yukon Energy Corporation**  
**Summary of Labour Costs**  
 (\$000s)

**Schedule 10A**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

<b>Line No.</b>	<b>Description</b>	<b>Cross Ref.</b>	<b>2021 GRA Compliance</b>	<b>Actual 2021</b>	<b>Actual 2022</b>	<b>Forecast 2023</b>	<b>Forecast 2024</b>
1	<b>Total FTEs</b>	Tab 3, Table 3.4	100.6	101.9	107.0	113.0	119.8
2	<b>Total Labour Costs</b>		15,719	15,807	15,753	18,362	19,651
3	O&M Labour Costs	Sum Lines 5-9	13,016	13,167	13,675	15,069	16,132
4	Labour Costs to Capital		2,703	2,640	2,077	3,292	3,519
	<b>Labour Costs</b>						
5	Production		4,802	5,076	5,051	5,686	6,040
6	Transmission		674	645	548	656	666
7	Distribution		629	701	687	751	764
8	General		372	275	291	342	350
9	Administration		6,539	6,471	7,098	7,634	8,311
10	<b>Total Labour</b>		<b>13,016</b>	<b>13,167</b>	<b>13,675</b>	<b>15,069</b>	<b>16,132</b>

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

**Schedule 11**  
**2023/24 GRA Compliance Filing**  
**YUB-YEC-1-2 Attachment 1**

Line No.	Description	Cross Ref.	2021 GRA Compliance	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
<b>Long-Term Debt Balance</b>							
1	YDC Mayo B Flexible Term Debt		18,531	18,531	18,194	17,857	17,520
2	TD Bank Swap		7,858	7,831	7,413	6,987	6,552
3	YDC \$92.5M Debt		66,672	66,672	62,988	59,304	55,620
4	YDC \$5.5M Debt		5,505	5,505	5,505	5,505	5,505
5	YDC \$21.0M Debt		15,948	15,948	15,109	14,269	13,430
6	YDC \$12.1M Debt		12,136	12,136	12,136	12,136	12,136
7	TD Bank Swap		21,554	21,527	20,843	20,135	19,403
8	TD Bank Swap		6,303	6,295	6,089	5,877	5,659
9	YDC \$2.9M Debt		2,871	2,871	2,871	2,871	2,871
10	2020 New Debt		12,715	4,640	4,488	4,333	4,175
11	YDC Debt - 2020		8,760	3,959	3,959	3,959	3,959
12	\$7.7M TD Swap - 2021		0	7,518	7,301	7,079	6,850
13	\$17.9M TD Swap - 2022		1,648	0	17,914	17,598	17,269
14	2023 New Debt			0	0	28,293	28,293
15	2024 New Debt			0	0	0	32,940
16	Minto Decommissioning Reserve		2,816	2,812	2,843	2,976	3,087
17	Current year-end balance		183,317	176,245	187,653	209,180	235,269
18	Previous year-end balance		187,736	174,995	176,245	187,653	209,180
19	Mid Year		185,526	175,620	181,949	198,417	222,224
<b>Interest Expenses</b>							
20	YDC Mayo B Flexible Term Debt		1,030	1,030	1,012	993	975
21	TD Bank Swap		217	166	158	149	140
22	YDC \$92.5M Debt		1,886	1,886	1,787	1,688	1,589
23	YDC \$5.5M Debt		132	132	132	132	132
24	YDC \$21.0M Debt		371	371	352	334	315
25	YDC \$12.1M Debt		255	255	255	358	359
26	TD Bank Swap		803	744	721	697	673
27	TD Bank Swap		186	169	164	158	153
28	YDC \$2.9M Debt		83	83	83	83	83
29	2020 New Debt		278	97	94	91	88
30	YDC Debt - 2020		192	62	62	62	62
31	\$7.7M TD Swap - 2021		0	146	214	208	201
32	\$17.9M TD Swap - 2022			0	183	724	711
33	2023 New Debt			0	0	702	1,197
34	2024 New Debt			0	0	0	817
35	Minto Decommissioning Reserve		16	13	31	133	110
36	Capital Lease Interest			0	2	6	5
37	<b>Total Cost of Interest</b>		5,449	5,153	5,249	6,518	7,610
38	Mid-Year Cost of Debt		2.94%	2.93%	2.89%	3.29%	3.42%

1 **REFERENCE:** YEC 2023-2024 GRA Compliance Filing, PDF page 37

2  
3 **ISSUE:** YEC response to Directive #13

4  
5 **QUOTE** Board Order 2024-05 Appendix A Errata, paragraph 240:

6 However, similar to the Board's earlier observations with respect to  
7 YEC's amortization calculations, it is unclear whether YEC commenced  
8 the amortization of the Aishihik five-year licence renewal project in 2022  
9 – the year of capitalization. YEC is directed to clarify the costs  
10 capitalized for this project in 2022 and the amount of amortization  
11 expense it incurred in 2022 (and how it was calculated) with respect to  
12 this project in its compliance filing to this Board Order.

13  
14 YEC 2023-2024 GRA Compliance Filing, PDF page 37:

15 The \$3.903 million portion of the five-year licence renewal cost was  
16 closed in December 2022 and no amortization was recorded in 2022.  
17 The remaining cost of \$0.804 million closed in 2024 as reviewed in  
18 Table 5.5 of Tab 5.

19  
20 **PREAMBLE:** The Board examines the practical application and implication of YEC's  
21 current depreciation and amortization methodology.

22  
23 **QUESTION:**

- 24  
25 a) Please confirm the reason there is no 2022 amortization expense forecast for the  
26 Aishihik five-year licence renewal project which was capitalized in 2022 is due to  
27 YEC's practice of not calculating depreciation or amortization expense on a  
28 capital addition until the year following capitalization.  
29  
30 b) Assuming part (a) is confirmed, please also confirm that notwithstanding a further  
31 capitalization of \$0.804 million in 2024 to the Aishihik five-year licence renewal  
32 project, there will be no change to YEC's current \$0.781 million amortization  
33 expense of the asset ( $\$3.904 \text{ million} / 5 \text{ years} = \$0.781 \text{ million per Tab 7,}$   
34  $\text{Schedule 3B for 2023 and 2024}$ ) until the year 2025.  
35  
36 c) Assuming parts (a and b) are confirmed, please explain how the matching principle  
37 is adhered to when there appears to be significant delays in the amortization of  
38 this specific capital asset under YEC's current depreciation practice (to not

1 calculate depreciation or amortization on a capital addition until the year following  
2 capitalization).

3  
4 In the response, please address whether YEC similarly determines its return on  
5 capital to commence in the year following capitalization (to align with the return of  
6 capital through depreciation expense.)

- 7  
8 d) Please explain whether IFRS requires the application of a mid-year convention in  
9 respect of depreciation or amortization expense calculations on current year  
10 additions, or if the application of a mid-year convention is not required given that  
11 depreciation expense under IFRS is calculated on a monthly basis.

12  
13 **ANSWER:**

14  
15 **(a)**

16  
17 Not confirmed. The reason for no amortization for the \$3.903 million portion of the five-  
18 year licence renewal cost in 2022 was due to the project in-service date of December 31,  
19 2022 with amortization starting on the next day, January 1, 2023.

20  
21 **(b)**

22  
23 Confirmed. Both Schedule 3B – 2023 and Schedule 3B – 2024 in the Compliance Filing  
24 only show annual amortization related to the \$3.903 million portion of the five-year licence  
25 renewal cost closed in 2022, and no amortization expense is calculated in 2024 for the  
26 \$0.804 million portion closed in 2024 which, for the GRA purposes, is assumed to start  
27 showing depreciation in 2025. YUB-YEC-1-2 Attachment 2 includes amortization expense  
28 for the 2024 additions on a mid-year basis.

29  
30 YEC would like to clarify that YEC's accounting practice is to commence depreciation of  
31 the actual capital additions the day after the asset is in service in our books. The approach  
32 used in the GRA where no depreciation/amortization expense is calculated for the current  
33 test year additions is only for GRA purposes as explained in response to question (d)  
34 below.

35  
36 **(c)**

1 As explained in (b) and (d), YEC’s accounting practice is to commence depreciation the  
2 day after that asset is in-service. Therefore, for financial statement purposes, YEC does  
3 adhere to the matching principle.

4  
5 For GRA rate setting purposes, YEC has not used the same method to avoid uncertainties  
6 regarding monthly timing for forecast capital additions and to reduce the impact on  
7 ratepayers. The mid-year convention approach for depreciation used by AEY attempts to  
8 approximate the matching principle by adopting the mid-year convention for all new assets  
9 forecast to come into service. A full matching for rate setting purposes would require a  
10 forecast of the exact day of in-service for each asset, which is not considered by YEC to  
11 be reasonably estimable.

12  
13 As indicated in response to YUB-YEC-1-2, YEC has provided the Board with mid-year  
14 new asset depreciation for the GRA test years in order that the Board can decide if this is  
15 to be included for the Compliance Filing. YEC has also stated that it plans to change the  
16 approach for the calculation of depreciation/amortization expenses in the next GRA and  
17 calculate the depreciation/amortization expense for the current year additions consistent  
18 with the approach used by AEY in its GRA (as illustrated in response to YUB-YEC-1-2).

19  
20 YEC’s forecast return on capital for GRA purposes is based on the mid-year rate base  
21 approach. In the case of new capital additions during a year, half of the capital addition is  
22 included as part of the rate base. Inclusion of mid-year depreciation calculations for new  
23 assets results in higher overall revenue requirements, i.e., the added depreciation more  
24 than offsets the small reduction in mid-year rate base and return on capital (see YUB-  
25 YEC-1-2, response to “c-d” where this is shown in the table provided).

26  
27 **(d)**

28  
29 IFRS does not require a mid-year convention for depreciation.

30  
31 Under IFRS, IAS 16 paragraph 55 states “Depreciation of an asset begins when it is  
32 available for use, i.e., when it is in the location and condition necessary for it to be capable  
33 of operating in the manner intended by management.” Therefore, for financial statement  
34 purposes, YEC’s practice is to commence depreciation the day after the asset is available  
35 for use. It is noted that depreciation for IFRS purposes addresses assets already added  
36 to rate base, i.e., cases where the in-service timing for new assets has been established.

1 For rate setting purposes in the 2023/24 GRA and previous GRAs, YEC assumed no  
2 depreciation on new additions during the year as the timing of forecast new asset additions  
3 is normally not known. YEC considers its method of forecasting depreciation in this  
4 Application and in prior applications to be reasonable. However, to simplify the Board's  
5 review process and provide consistency with AEY's approved process, YEC proposes that  
6 in its next GRA the calculation of depreciation expenses for forecast years will be based  
7 on the approach that AEY uses for the calculation of depreciation expenses in its GRAs  
8 which takes a mid-year convention for depreciation for new capital additions.