

February 28, 2025

Ms. Lesley McCullough, Chair
Yukon Utilities Board
Box 31728, Whitehorse, YT Y1A 6L3

Dear Ms. McCullough:

Re: 2024 Low Water Reserve Fund Report and Energy Reconciliation Adjustment Filing

This correspondence provides Yukon Energy Corporation's (YEC) Annual Report summarizing Low Water Reserve Fund (LWRF) and Energy Reconciliation Adjustment (ERA) for 2024.

The LWRF Annual Report and ERA Filing have been prepared pursuant to the LWRF Term Sheet as approved by the Yukon Utilities Board (Board) Order 2024-13.

The following information is attached to this correspondence:

- **Attachment 1** – LWRF Calculations for 2024 and Balance Updates.
- **Attachment 2** – 2024 ERA Filing.

A summary of each of the documents attached to this correspondence follows.
As directed by the Board, YEC included specific source references to the tables.

Attachment 1: LWRF Calculations and Balance as of December 31, 2024

Table 1-1 of Attachment 1 provides LWRF calculations for 2024 actuals and Table 1-2 of Attachment 1 provides a LWRF Continuity Schedule in a revised format as directed by Board Order 2024-05. The interest on the LWRF balance is calculated in accordance with the revisions to the LWRF Term Sheet as approved by Board Order 2024-13.

The LWRF transfer calculations and balances for 2023 were approved by Board Order 2024-15.

In summary, the tables in Attachment 1 indicate as follows regarding the annual LWRF calculations and balance for 2024:

- Based on the actual annual load for 2024, and the LWRF Term Sheet, the LTA thermal for 2024 is 66.148 GW.h with 37.573 GW.h LNG which is about 57% of LTA thermal generation (Table 1-1, L16b) and 28.575 GW.h diesel which is about 43% of LTA thermal generation (Table 1-1, L16a).¹
- The actual net thermal generation requirement for 2024 was 78.882 GW.h, including 34.076 GW.h diesel and 44.806 GW.h LNG (Table 1-1, L17).

¹ LNG is assumed to displace 90% of the expected long-term average thermal requirements, subject to not exceeding total thermal less estimated diesel or actual diesel. The actual diesel was 43%, therefore, the estimated diesel in LTA is 43% calculated in accordance with the Term-Sheet.

- The resulting overall gap between LTA and actual thermal generation for the 2024 load equals 12.734 GW.h (Table 1-1, L18), including 5.501 GW.h diesel and 7.233 GWh LNG. The resulting withdrawal required from LWRP for 2024 is \$3.067 million (Table 1-1, L19).²
- LWRP balances [Table 1-2, Attachment 1]:
 - 2024 opening balance of \$16.314 million [2023 closing balance as approved by the Board Order 2024-15].
 - 2024 annual LWRP transfer of -\$3.067 million [YEC withdraws from LWRP, as per Table 1-1, Attachment 1].
 - Calculated interest on the balance at \$1.012 million.
 - Rider E rebates of \$0.074 million in 2024 [Rider E rebate was approved at 0.128 cents/kWh effective November 1, 2024].
 - Closing balance on December 31, 2024 at \$14.186 million [the positive balance indicates a benefit to ratepayers].

Rider E

The Board Order 2024-15 approved Rider E rebate of 0.128 cents/kWh for the period from November 1, 2024 to March 31, 2025. As the 2024 ending LWRP balance is within the +/- \$16 million threshold, no further adjustments are required to Rider E.

The current approved Rider E rebate of 0.128 cents/kWh remains in place until March 31, 2025 as approved and on April 1, 2025 Rider E reduces to 0 cents/kWh.

Attachment 2: 2023 ERA Filing

Attachment 2, Table 2-1 provides the 2024 actual ERA Filing and notes as follows:

- Approved wholesales for 2024 at 362.365 GW.h compared to actual wholesales at 374.831 GW.h. The Fish Lake generation adjustment at 0.704 GW.h.
- 2024 actual wholesales above the GRA forecast results in an increase in YEC thermal costs, however, this increase is offset by incremental revenues requiring no ERA payment for 2024.

Forecast Water Conditions for 2025/26

The forecast water conditions memorandum for 2025/26 is not available at the time of this filing. YEC will provide the expected water conditions for 2025/26 in the quarterly giling.

² Based on 2023/24 GRA average fuel costs at \$0.1906 per kW.h for LNG and \$0.3069 per kW.h for diesel as approved by YUB in Order 2024-05.



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Requests

The LWRP Term Sheet, as approved by YUB Order 2024-13, requires the annual report to be filed with the Board for approval of the Board. Accordingly, YEC is seeking Board's approval of LWRP transfers for 2024 as well as LWRP balances as provided in Attachment 1 of this filing, and the ERA filing as provided in Attachment 2.

If you have any questions regarding the above, please contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Jason Epp", is positioned above the typed name.

Jason Epp
Vice President, Finance and
Chief Financial Officer