



The Yukon Electrical Company Limited
An ATCO Company

March 31, 2011

Ms. Deana Lemke
Executive Assistant
Yukon Utilities Board
P.O. Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Ms. Lemke:

Re: Annual Filings – The Yukon Electrical Company Limited

In accordance with Sections 25 and 84 of the Public Utilities Act, Attached please find the following information:

- a. 2010 audited Financial Statements (to be filed by the end of the 2nd quarter)
- b. Utility Income and Rate of Return
- c. Computation of Net Rate Base
- d. Schedule of Allowance for Working Capital
- e. Reconciliation of Utility Income to Net Earnings
- f. Analysis of Depreciation Reserve
- g. Cost of Debt Capital Employed
- h. Property, Plant and Equipment
- i. List of Officers and Directors
- j. Signed Affidavit (signed copy forthcoming)

Yours sincerely,

THE YUKON ELECTRICAL COMPANY LIMITED
An ATCO Company

Dwight Redden,
General Manager

DR:cm

Encl.

nkpi2010

THE YUKON ELECTRICAL COMPANY LIMITED
UTILITY INCOME AND RATE OF RETURN
For The Year Ended December 31, 2010
(\$000s)

Revenue		45,267
Adjust:		
Non-Utility Revenue		191
UTILITY REVENUE		45,076
Operation and Maintenance		37,976
Less:		
Non Allowables		7
Non-Utility O&M		226
Non Utility Income Taxes		(6)
		227
Add:		
Depreciation		3,683
Other Taxes		230
Income Taxes		272
Amortization of Contribution for Extensions		(1,220)
Amortization of Deferred Costs		291
		3,256
UTILITY EXPENSE		41,005
UTILITY INCOME		4,071
NET RATE BASE		49,993
RATE OF RETURN		8.14%

THE YUKON ELECTRICAL COMPANY LIMITED
COMPUTATION OF NET RATE BASE
For The Year Ended December 31, 2010
(\$000s)

PROPERTY PLANT AND EQUIPMENT

BALANCE AT DECEMBER 31, 2010		141,720
Add: Deferred Study Costs		-
Less: Accumulated Depreciation		62,765
Non-regulated Assets		
Construction Work-in-Progress		3,095
		65,860
NET BALANCE AT YEAR END		75,860
Add: Previous Year's Balance		72,620
TOTAL		148,480
MID-YEAR BALANCE		74,240
Add: Allowance for Working Capital		2,380
Less: Mid-Year Contribution for Extensions		26,863
Add: Mid-year rate deferred charges/credits		236
		49,993
NET RATE BASE		

THE YUKON ELECTRICAL COMPANY LIMITED
SCHEDULE OF ALLOWANCE FOR WORKING CAPITAL
For The Year Ended December 31, 2010
(\$000s)

Operating and maintenance	37,976
Add: Other Taxes	230
Less: Non-Allowables and Non-Utility O&M	227
Net O&M	<u>37,979</u>
O&M Lag Days	5
Operating Expenses Working Capital	<u>520</u>
Tax installments	13
Income Tax Installment Lag Days	22
Tax Installments Working Capital	<u>1</u>
Income taxes receivable (payable)	(289)
Tax Receivable Lag Days	204
Taxes Payable Working Capital	<u>(162)</u>
Inventory (Three year average)	<u>1,769</u>
GST Impact on working capital	<u>123</u>
Return - Long Term Debt	1,885
Combined Long Term Debt Lag Days	(52)
Long Term Debt Working Capital	<u>(269)</u>
Return - 50% of Common Equity	1,093
Dividend Lag Days	(4)
Common Equity (Dividend) Working Capital	<u>(12)</u>
Return - 50% of Common Equity	1,093
Depreciation Lag Days	42
Common Equity (Retained Earnings) Working Capital	<u>126</u>
Net Depreciation	2,463
Depreciation Lag Days	42
Depreciation Working Capital	<u>283</u>
TOTAL WORKING CAPITAL	<u>2,380</u>

THE YUKON ELECTRICAL COMPANY LIMITED
RECONCILIATION OF UTILITY INCOME TO NET EARNINGS
For The Year Ended December 31, 2010
(\$000s)

UTILITY INCOME	4,071
Add :Non Utility Income:	
Allowance for Funds Used During Construction	114
Non Regulated Revenues	191
	305
Sub-Total	4,376
Less: Non Utility Expenses:	
Interest to Parent	1,970
Short Term Interest To Parent	14
Non Regulated Expenses	226
Other Interest	(38)
Non Allowables	7
	7
Sub-Total	2,198
Add: Income Tax Adjustment:	
Tax on Net Non Utility Income	6
	6
NET EARNINGS	2,204

THE YUKON ELECTRICAL COMPANY LIMITED
ANALYSIS OF DEPRECIATION RESERVE
For The Year Ended December 31, 2010
(\$000s)

BALANCE - DECEMBER 31, 2009	59,806
Add: Depreciation - Operating Expense	3,683
Depreciation - Other	(74)
	<hr/> 63,415
Less: Retirements	650
Other	-
	<hr/> -
BALANCE - DECEMBER 31, 2010	<hr/> <hr/> 62,765

YUKON ELECTRICAL COMPANY LIMITED
COST OF CAPITAL CALCULATION
For The Year Ended December 31, 2010
 (%)

mid yr.	<u>CAPITAL RATIO</u>	<u>COST</u>	<u>RETURN COMPONENT</u>
29,950.0 LONG TERM DEBT	56.8	6.58	3.74
0.0 PREFERRED SHARES	-	-	-
COMMON SHARES AND 21,682.0 RETAINED EARNINGS	41.1	10.71	4.40
<u>1,081.0</u> NO COST CAPITAL	2.1		
<u>52,713.0</u>	<u>100.0</u>		<u>8.14</u>

PROPERTY PLANT & EQUIPMENT - DECEMBER 31, 2010

Function	Minor Acc	Minor Description	Sub Cate	Subcategory Description	Jan 1/10	Additions	Adjusts/Transfers	Retirements	Dec 31/10
Corporate	48000	Land	48000	Land	316,624	0	0	0	316,624
	48200	Buildings and Structures	48100	Land Rights	19,148	0	0	0	19,148
	48200	Buildings and Structures	48100	Buildings and Structures	3,277,288	98,128	(174)	0	3,375,243
	48300	Office Furniture	48300	Office Furniture	136,531	10,095	0	(29,613)	117,013
	48320	Computer Equipment	48320	Computer Equipment	11,712	4,467	0	(4,631)	11,548
	48400	Vehicles Category 1	48410	Cars	54,582	0	0	(14,114)	40,468
	48400	Vehicles Category 1	48420	Light Trucks and Pole Trailers	236,773	0	0	0	236,773
	48400	Vehicles Category 1	48430	Pole Trailers > 10,000 lbs	101,007	0	0	0	101,007
	48400	Vehicles Category 1	48440	Trucks > 2 Ton Trucks	1,117,762	145,358	4,413	(139,866)	1,127,667
	48400	Vehicles Category 1	48450	Trucks > 2 Tons < 3 Tons	239,497	0	18,333	0	257,830
	48400	Vehicles Category 1	48460	Pole Cals	156,818	0	0	0	156,818
	48400	Vehicles Category 1	48470	Trucks > 3 Tons	410,564	0	0	(71)	410,493
	48400	Vehicles Category 1	48480	Tractors	23,722	0	0	0	23,722
	48500	Loose Tools	48500	Loose Tools	505,652	175,205	887	(16,729)	665,014
	48600	Communication Equipment	48600	Communication Equipment	595,396	228,140	(63)	0	823,473
	48810	Houses Land	48810	Houses Land	604	0	0	0	604
	48820	Houses	48820	Houses	465,368	7,347	174	0	472,889
	49100	Franchise and Consent	49100	Franchise and Consent	1,493	0	0	0	1,493
	49602	Software - ATCOCLIS	49602	Software - NEWCLIS(ATCOCLIS)	1,534,576	0	0	0	1,534,576
	49605	Software - Oracle	49605	Software - Oracle	235,498	0	0	0	235,498
	49628	Software - Oracle HRXcellence	49628	Software - Oracle HRXcellence	254,970	0	102,850	0	357,820
Total for Corporate:					9,695,584	668,740	126,420	(205,024)	10,285,721
Distribution	47000	Land	47000	Land	23,373	0	0	0	23,373
	47100	Land Rights	47100	Land Rights	1,103,923	87,840	215	0	1,191,978
	47300	Poles and Fixtures	47300	Poles and Fixtures	25,572,050	1,548,564	182,244	(146,362)	27,156,496
	47400	Overhead Conductor	47400	Overhead Conductor	17,583,188	1,115,616	152,579	(18,541)	18,832,841
	47410	Overhead Services	47410	Overhead Services	2,661,006	29,667	1,893	(44,294)	2,648,271
	47500	Underground Conduit	47500	Underground Conduit	19,443,697	598,890	14,138	(1,862)	20,054,863
	47510	Underground Services	47510	Underground Services	2,681,719	95,915	(58)	(30,641)	2,746,935
	47610	Meters	47610	Meters	316,675	466,518	626	(166,427)	617,392
	47610	Meters	47620	Metering Equipment	870,118	16,795	1,151	0	888,063
	47630	AMR Meters	47612	AMR Meters	49,920	12,345	(1,276)	0	60,990
	47710	Distribution Substation	47710	Non-Fenced Distr Sub Equip	2,654,006	0	0	0	2,654,006
	47710	Distribution Substation	47720	Distr Substation Buildings	477,067	0	0	0	477,067
	47810	Street Lights	47810	Street Lights	8,415,073	182,378	56,026	(7,288)	8,646,189
	47820	Sentinel Lights	47820	Sentinel Lights	284,738	0	0	0	284,738
	47910	Transformers	47910	Line Transformers	20,522,139	1,256,150	94,942	(29,655)	21,843,576
	47910	Transformers	47910INV	Inventory Reclass Transformers	805,413	0	8,467	0	813,880
Total for Distribution:					103,464,106	5,410,677	510,947	(445,071)	108,940,656
Generation	42000	Hydro Land	42000	Hydro Land	20,912	0	0	0	20,912
	42500	Hydro Equipment	42200	Hydro Structures	147,548	0	0	0	147,548
	42500	Hydro Equipment	42300	Hydro Resv, Dams & Waterways	1,006,106	0	0	0	1,006,106
	42500	Hydro Equipment	42500	Hydro Generators	712,003	0	658	0	712,661
	42500	Hydro Equipment	42600	Hydro Accessory Electrical Equip	105,192	0	0	0	105,192
	42500	Hydro Equipment	42700	Hydro Misc Equip	68,657	0	0	0	68,657
	44000	Int Combust Land	44000	Int Combust Land	0	0	0	0	0
	44000	Int Combust Land	44000	Int Combust Land	7,130	0	0	0	7,130
	44200	Int Combust Structures	44200	Int Combust Structures	1,913,892	(203)	234	0	1,913,923
	44400	Int Combust Fuel Holders	44400	Int Combust Fuel Holders	2,312,544	0	365	0	2,312,909
	44500	Int Combust Generators	44500	Int Combust Generators	8,476,128	95,531	24,948	0	8,596,607
	44600	Int Combust Access Elect Equip	44600	Int Combust Access Elect Equip	2,341,157	0	4,853	0	2,346,010
	44700	Int Combust Misc Equip	44700	Int Combust Misc Equip	759,628	5,364	0	0	764,992
Total for Generation:					17,870,897	100,692	31,057	0	18,002,647
Transmission	45000	Land	45000	Land	11,551	0	0	0	11,551
	45700	Transmission Substation	45710	Substation Misc Equip & Install	1,384,421	0	0	0	1,384,421
Total for Transmission:					1,395,972	0	0	0	1,395,972
Grand Total:					132,426,559	6,180,109	668,424	(650,094)	138,624,998

THE YUKON ELECTRICAL COMPANY LIMITED

100 - 1100 1ST Avenue, Whitehorse, YT, Y1A 3T4

DIRECTORS:

Brian R. Bale

Loraine M. Charlton

Kevin J. Cumming

James W. Simpson

Nancy C. Southern

Ronald D. Southern

OFFICERS:

Nancy C. Southern Chairman of the Board & Chief Executive Officer

Roberta L. Lambright President

Dennis A. DeChamplain Vice President, Controller

Patricia Spruin Secretary

Carol Gear Assistant Secretary

STATUTORY DECLARATION

IN THE MATTER OF A REPORT REQUIRED BY
SECTION 84 OF THE YUKON PUBLIC UTILITIES ACT
BY R.L. LAMBRIGHT, PRESIDENT, AND P. SPRUIN,
CORPORATE SECRETARY,
OF
THE YUKON ELECTRICAL COMPANY LIMITED (the "Corporation")
(in thousands of dollars)

WE SOLEMNLY DECLARE THAT:

1. For 2010, the Net Rate Base for the Corporation was \$49,993.
2. As of December 31, 2010, the total capitalization of the Corporation was \$52,334 with a mid-year weighted average cost of 8.14%.
3. The revenues for the Corporation for the period from January 1, 2010 to December 31, 2010 were as follows:

Retail Sales	\$ 44,461
Sales to other Utilities	37
Other Revenue	<u>578</u>
TOTAL	<u>\$ 45,076</u>

4. The dividends paid by the Corporation for the period January 1, 2010 to December 31, 2010 were as follows:

Common Shares	<u>\$ 800</u>
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5. The operating and maintenance costs of the Corporation for the period from January 1, 2010 to December 31, 2010 were \$9,734.

6. The Corporation estimates the following costs for new works, extensions and improvements during the current year:

Distribution Projects	\$ 9,252
General Property & Equipment	1,097
Generating Plants	<u>3,609</u>
TOTAL	<u>\$ 13,958</u>

WE MAKE THIS SOLEMN DECLARATION CONSCIENTIOUSLY BELIEVING IT TO BE TRUE AND KNOWING THAT IT IS OF THE SAME FORCE AND EFFECT AS IF MADE UNDER OATH.

Severally declared before me)
at the City of Edmonton)
in the Province of Alberta)
this _____ day of _____, 2011.)

R.L. (Bobbi) Lambright

Severally declared before me)
at the City of Calgary)
in the Province of Alberta)
this _____ day of _____, 2011.)

Patricia Spruin