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February 14, 2011

Yukon Utilities Board
Box 31728
Whitehorse, Yukon
Y1A 6L3

Attention: Deana Lemke, Board Secretary

Re: Yukon Energy Corporation / Yukon Electrical Company Limited
General Rates Application – Phase II

Dear Ms. Lemke:

Please find enclosed the cost claim comments of the Utilities Consumers' Group in the above noted proceeding.

Yours truly,

A handwritten signature in blue ink, appearing to be 'M. Buonaguro', is written above the typed name.

Michael Buonaguro
Encl.

**Utilities Consumers' Group
Submission on Cost Claims
Yukon Energy Corporation / Yukon Electrical Company Limited
2009 Joint Phase II Rate Application**

City of Whitehorse

As a general comment, it appears to UCG that the City of Whitehorse continues to apply to recover costs that the Board has denied in previous proceedings according to the Intervenor Cost Awards Policy and the associated Scale of Costs. UCG does not understand why an experienced intervenor such as the City and its consultants do not recognize which costs are not to be recovered from Yukon ratepayers through electricity rates. It should not always be left to the review of the Board and intervenors such as UCG to save ratepayers from having to pay for meals, flights, personal car mileage, etc. that should not be included in the cost claim.

While the summary tables provided in its cost claim did not add up (Form U2 + Summary of Disbursements) nor was the GST isolated on these tables, according to its cost claim, the City of Whitehorse is looking to recover a total of \$71,381.68 in legal and consultant fees and disbursements. **UCG submits that, at a minimum, a total of approximately \$34,000 from this cost claim should be disallowed and not recovered from Yukon ratepayers.**

Hourly Fees

In its Board Order 2010-09 issued September 2, 2010, the Board reiterated its position that the Scale of Costs sets out a maximum fee for legal services based on the experience of legal counsel. At that time, it allowed the City of Whitehorse's legal counsel (Kristjana Kellgren) an increase to \$130 per hour (relative to the previous rate allowed for Ms. Kellgren) for services provided between February 8, 2010 and May 20, 2010 during review of the Mayo B Enhancement Project. For her participation at almost the exact same time in 2010 in the review of the GRA Phase 2 application, the City is looking to recover an additional \$45 per hour despite there being no change in years of experience.

UCG submits that the legal fees recovered for Ms. Kellgren's time should be limited to the previously approved \$130 per hour.

Costs Incurred Prior to Date of Application

UCG was informed by email from the Board on December 3, 2009 that the cost recovery period for the Phase II proceedings will begin once the YUB is in receipt of an application. Since YEC and YECL did not submit their GRA Phase 2 application until February 19, 2010, any claims for costs incurred prior to that date cannot be recovered from ratepayers.

December 23, 2009 invoice from Brownlee LLP

Since all of the costs included in this invoice were incurred prior to receipt of an application by the Board, none of the \$1,051.73 in costs identified should be recoverable from Yukon ratepayers. This includes:

Thomas Marriott	1.90 hours @ \$225/hour	\$ 427.50 <u>+ \$21.37 GST</u> \$ 448.87 reduction
Kristjana Kellgren	3.25 hours @ \$175/hour	\$ 568.75 <u>+ \$28.44 GST</u> \$ 597.19 reduction
Other Charges		\$ 5.40 <u>+ \$0.27 GST</u> \$ 5.67 reduction

January 28, 2010 invoice from Brownlee LLP

Since all of the costs included in this invoice were incurred prior to receipt of an application by the Board, none of the \$15,032.17 in costs on this invoice should be recoverable from Yukon ratepayers. This includes:

Kristjana Kellgren	26.00 hours @ \$175/hour	\$4,550.00 <u>+ \$227.50 GST</u> \$4,777.50 reduction
Other Charges		\$9,766.35 <u>+ \$488.32 GST</u> \$10,254.67 reduction

Regarding the Other Charges included on this invoice:

- Internal costs for paper (**\$269.40 + \$13.47 GST**) should not have been included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.
- Without receipts / invoices to verify that they were “directly related to the preparation and circulation of evidence, argument and reply”, long distance telephone (**\$182.92 + \$9.15 GST**) and postage (**\$0.54 + \$0.03 GST**) should not be included in a claim to recover costs from Yukon ratepayers.
- The edited invoice from Garbutt Consulting does not add up to the \$9,309.89 that has been included under Miscellaneous – Taxable charges.
- Even if the disbursements had occurred after February 19, 2010, UCG submits that none of the \$934.89 in disbursements listed for Greg Garbutt would qualify for recovery from Yukon ratepayers.

February 25, 2010 invoice from Brownlee LLP

None of the costs identified as being incurred prior to the receipt of the Application (February 19, 2010) on this invoice should be recoverable from Yukon ratepayers. This includes:

Kristjana Kellgren	2.75 hours @ \$175/hour	\$ 481.25
		<u>+ \$24.06 GST</u>
		\$ 505.31 reduction

All other time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$73.24 reduction** (1.55 hours @ \$45 + GST) to the City's allowed cost claim.

This invoice includes Miscellaneous – Taxable Disbursements of \$10,140.91 plus GST for which there has been no receipt / invoice provided nor any detail on when these costs were incurred. As a result, a further **\$10,647.96** (\$10,140.91 + \$507.05 GST) should not be recoverable.

Internal costs for paper (**\$28.20 + \$1.41 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were “directly related to the preparation and circulation of evidence, argument and reply”, long distance telephone (**\$5.16 + \$0.26 GST**) and postage (**\$1.00 + \$0.05 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

April 30, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$63.79 reduction** (1.35 hours @ \$45 + GST) to the City's allowed cost claim.

Internal costs for paper (**\$103.20 + \$5.16 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were “directly related to the preparation and circulation of evidence, argument and reply”, postage (**\$1.57 + \$0.08 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

May 28, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$439.43 reduction** (9.30 hours @ \$45 + GST) to the City's allowed cost claim.

Internal costs for paper (**\$18.30 + \$0.92 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply", postage (**\$0.57 + \$0.03 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

June 29, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$507.94 reduction** (10.75 hours @ \$45 + GST) to the City's allowed cost claim.

Internal costs for paper (**\$17.40 + \$0.87 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply", postage (**\$0.57 + \$0.03 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

August 31, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$765.45 reduction** (16.20 hours @ \$45 + GST) to the City's allowed cost claim.

Internal costs for paper (**\$246.00 + \$12.30 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply", postage (**\$0.57 + \$0.03 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

September 29, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$408.71 reduction** (8.65 hours @ \$45 + GST) to the City's allowed cost claim.

Internal costs for paper (**\$47.40 + \$2.37 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply", postage (**\$1.79 + \$0.09 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

October 28, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$2,950.76 reduction** (62.45 hours @ \$45 + GST) to the City's allowed cost claim.

Due to a lack of a detailed breakdown, it is not clear from the invoices provided how the Miscellaneous – Taxable claim amount (\$1,998.36) was determined. Especially since some of the costs are also identified on invoices claimed by Garbutt Consulting.

Internal costs for paper (**\$221.40 + \$11.07 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply", long distance telephone (**\$3.00 + \$0.15 GST**) and postage (**\$0.57 + \$0.03 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

November 29, 2010 invoice from Brownlee LLP

All time charged to this proceeding by Ms. Kellgren in this invoice should be limited to \$130 per hour which would result in an additional **\$519.75 reduction** (11.00 hours @ \$45 + GST) to the City's allowed cost claim.

There has been no detail provided with respect to the cost identified as "Oct.4 - Oct.6 Bed & Breakfast". Given the title, it is assumed that there have been meals included.

Without the required detail of these costs and when they were incurred, UCG submits that the entire **\$321.90 + \$16.10 GST** should be denied.

Internal costs for paper (**\$153.30 + \$7.67 GST**) should not be included in a cost claim as they should be considered normal overhead costs recovered in the fee for services. Even if this paper was used for internal photocopying, it would already be covered in the allowed photocopying fee.

Without receipts / invoices to verify that they were “directly related to the preparation and circulation of evidence, argument and reply”, long distance telephone (**\$47.26 + \$2.36 GST**) and postage (**\$1.22 + \$0.06 GST**) should not be included in a claim to recover costs from Yukon ratepayers.

Yukon Electrical Company Limited

Preliminary Issues

It has become apparent from the detail submitted with YECL’s cost claim that there was more than one employee of both Bennett Jones LLP and ATCO Electric charging time to YECL and the Yukon ratepayers. As will be noted later, without the information on the qualifications and need for these persons, UCG submits that Yukon ratepayers (either through direct recovery of cost claims or through rates) should not be liable for some of the costs charged by members of both Bennett Jones LLP and ATCO Electric.

Summary of UCG Submission

In its cost claim, YECL is asking to recover a total of **\$141,355.42** (exclusive of GST) in legal and consultant fees and disbursements. UCG submits that it was very difficult to reconcile the summary tables submitted by YECL with the actual invoiced charges from Bennett Jones LLP since there were no receipts for disbursements provided by Bennett Jones.

UCG submits that, at a minimum, a total of **\$71,735.37 + \$3,586.77 GST** from the costs included in YECL’s cost claim should be disallowed, not recovered from Yukon ratepayers and only recovered from YECL’s shareholder.

UCG submits that while not all of the charges identified on invoices from Bennett Jones were claimed for recovery as part of the Phase 2 proceeding, there are still concerns that these costs will be paid by YECL and recovered through rates charged to Yukon ratepayers. UCG submits that a disallowance of cost recovery in a cost claim means that these are costs that Yukon ratepayers should not pay. To recover disallowed costs through rates cancels the intention of a disallowance.

UCG submits that any time charged by Mr. Keough of Bennett Jones to YECL at hourly rates \$450 above the maximum Scale of Costs rates (i.e., the rates deemed reasonable for recovery from ratepayers) should not be recovered from Yukon ratepayers through YECL's revenue requirement and should be recovered from YECL's shareholder. UCG estimates this above-Scale billing by Mr. Keough to be **\$85,545.00 plus \$4,277.25 GST**.

UCG submits that any time charged by A.M. Sears of Bennett Jones to YECL should not be recovered as per this cost claim process. At the very least, any above-Scale billing at hourly rates \$125 above the maximum Scale of Costs rates (i.e., the rates deemed reasonable for recovery from ratepayers) should not be recovered from Yukon ratepayers through YECL's revenue requirement and should be recovered from YECL's shareholder. UCG estimates this above-Scale billing by A.M. Sears to be **\$2,262.50 plus \$113.12 GST**.

With respect to disbursements by Bennett Jones charged to YECL but not claimed as part of the Phase 2 proceeding, UCG submits that none of these disbursements (**\$2,717.09 plus \$135.85 GST**) should be recovered from Yukon ratepayers through YECL's revenue requirement but instead should be recovered from YECL's shareholder.

Legal Costs

The time charges of Mr. Keough identified in parts of the Bennett Jones LLP invoices charged to YECL are based on an hourly rate of \$675. UCG submits that this rate is \$450 per hour above the maximum fee allowed under the Scale of Costs and the Board's Rules of Practice. UCG submits that ratepayers should not be held liable for any costs above what the Board has already deemed a fair and reasonable contribution by ratepayers (i.e., the Scale of Costs). Any charges above the maximum allowed under the Scale of Costs should be recovered from YECL's shareholder not assumed to be recovered through rates charged to Yukon ratepayers.

By UCG's calculations, that part of Bennett Jones LLP time charges to YECL related to Mr. Keough have been **\$85,545.00 plus \$4,277.25 GST** above the maximum Scale of Costs rates deemed reasonable for recovery from ratepayers (190.1 hours x \$450):

December 31, 2009 invoice	1.8 hours @ \$450 = \$810.00
February 18, 2010 invoice	0.9 hours @ \$450 = \$405.00
March 9, 2010 invoice	20.7 hours @ \$450 = \$9,315.00
April 14, 2010 invoice	0.3 hours @ \$450 = \$135.00
May 18, 2010 invoice	1.2 hours @ \$450 = \$540.00
June 10, 2010 invoice	2.0 hours @ \$450 = \$900.00
July 20, 2010 invoice	4.0 hours @ \$450 = \$1,800.00
August 12, 2010 invoice	19.9 hours @ \$450 = \$8,955.00

September 9, 2010 invoice	36.6 hours @ \$450 = \$16,470.00
October 18, 2010 invoice	23.7 hours @ \$450 = \$10,665.00
November 18, 2010 invoice	74.7 hours @ \$450 = \$33,615.00
December 20, 2010 invoice	4.3 hours @ \$450 = \$1,935.00

UCG notes that the Bennett Jones LLP invoices do not provide any breakdown of when the time charges were incurred. This limits how much of a due diligence review can be undertaken.

UCG questions the qualifications (and appropriate Scale fee) for employees of Bennett Jones LLP other than Mr. Keough included in these invoices and how much is actually being paid by Yukon ratepayers for services rendered by Bennett Jones LLP. Given that there were no qualifications provided, UCG submits that any charges for time associated with "A.M. Sears" are duplicative and should not be recovered from Yukon ratepayers as part of this cost claim process nor assumed to be recovered through rates.

By UCG's calculations, that part of Bennett Jones LLP time charges to YECL related to "A.M. Sears" that should not be recovered from ratepayers includes **\$4,072.50 + \$203.63 GST** included in the Phase 2 cost claim and **\$2,262.50 + \$113.12 GST** in above-Scale billing.

December 31, 2009 invoice	14.85 hours
February 18, 2010 invoice	0.65 hours
March 9, 2010 invoice	2.60 hours

UCG submits that the professional legal fees allowed to be recovered from Yukon ratepayers should be limited to Mr. Keough's time (190.1 hours less 15 hours related to witness training) at the maximum allowable rate per the Scale of Costs (\$225 per hour) for a total of \$39,397.50 + \$1,969.88 GST.

December 31, 2009 invoice from Bennett Jones

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply" and without details regarding how many copies were made, third party photocopy and scanning charges attributed to Pitney Bowes (**\$22.00 + \$1.10 GST**) cannot be verified and should not be included in costs recovered through rates paid by Yukon ratepayers.

March 9, 2010 invoice from Bennett Jones

Without receipts / invoices to verify that they were "directly related to the preparation and circulation of evidence, argument and reply" and without details regarding how many copies were made, photocopy charges cannot be verified (**\$0.25 + \$0.01 GST**) and should not be included in costs recovered through rates paid by Yukon ratepayers.

May 18, 2010 invoice from Bennett Jones

According to the Scale of Costs, the Board will consider reimbursement of the reasonable actual costs incurred for other charges directly related to the preparation and circulation of evidence, argument and reply provided they are fully explained and, where appropriate, supported by vouchers.

UCG submits that the “long distance phone charges” (**\$2.12 + \$0.11 GST**) have not been fully explained and were not incurred on any day that Mr. Keough identifies as spending any time on this proceeding. UCG submits that this cost should not be recovered through rates paid by Yukon ratepayers.

August 12, 2010 invoice from Bennett Jones

According to the Scale of Costs, the Board will consider reimbursement of the reasonable actual costs incurred for other charges directly related to the preparation and circulation of evidence, argument and reply provided they are fully explained and, where appropriate, supported by vouchers.

UCG submits that the “long distance phone charges” (**\$2.06 + \$0.10 GST**) have not been fully explained and were not incurred on any day that Mr. Keough identifies as spending any time on this proceeding. UCG submits that this cost should not be recovered through rates paid by Yukon ratepayers.

October 18, 2010 invoice from Bennett Jones

In its Board Order 2009-11 related to its decisions regarding cost claims in Phase 1 of the GRA, the Board disallowed all disbursements related to the witness preparation session as the need for such a session was not substantiated and the expenses were not prudent or reasonable. Given the experience that YECL’s witnesses have had appearing on behalf of ATCO Electric before regulators and the ability for YECL’s experienced counsel to guide and prepare its witnesses, UCG submits that all time and disbursements related to the witness preparation session for Phase 2 should not be recovered from Yukon ratepayers.

Without more detail, UCG cannot determine exactly how much time Mr. Keough spent on September 1, 2010 “Reviewing materials for and attendance at YECL witness preparation session for YECL Panel’ but we would assume that it was at least 10 hours. As a result, **\$2,250 + \$112.50 GST** should be disallowed from Mr. Keough’s time claim.

UCG assumes that the **\$827.49 + \$41.37 GST** in disbursements listed by Bennett Jones on this invoice were all related to the witness training session. None of these costs should be recovered in rates paid by Yukon ratepayers. Even if these costs were not related to witness training, YECL should know that costs incurred for airfare, taxis and

accommodations can only be recovered from ratepayers if the costs were incurred for attendance at a hearing. At no time is the cost of food and beverages allowed to be recovered from ratepayers. UCG submits that these costs should be recovered from YECL's shareholder only.

November 18, 2010 invoice from Bennett Jones

In its Board Order 2009-11 related to its decisions regarding cost claims in Phase 1 of the GRA, the Board disallowed all disbursements related to the witness preparation session as the need for such a session was not substantiated and the expenses were not prudent or reasonable. Given the experience that YECL's witnesses have had appearing on behalf of ATCO Electric before regulators and the ability for YECL's experienced counsel to guide and prepare its witnesses, UCG submits that all time and disbursements related to the witness preparation session for Phase 2 should not be recovered from Yukon ratepayers.

Without more detail, UCG cannot determine exactly how much time Mr. Keough spent on October 1, 2010 "Reviewing materials for joint YECL/YEC witness preparation session; Discussion of issues with YECL; Joint preparation session; Discussion of follow-up matters" but we would assume that at least 5 hours was associated with a witness preparation session. As a result, **\$1,125 + \$56.25 GST** should be disallowed from Mr. Keough's time claim and recovered only from YECL's shareholder.

It appears as though YECL has included \$812.25 + GST for airfare, \$91.43 + GST for parking, \$297 + GST for accommodations and \$69.80 + GST for food in its Phase 2 cost claim. None of these expenses has been substantiated by receipts and should be disallowed from any cost claim. UCG submits that at the very least, Yukon ratepayers are not responsible for paying any food costs incurred by YECL's legal counsel. If the proper receipts can be provided, UCG submits that **\$69.80 + \$3.39 GST** in food claims should be disallowed from the Phase 2 cost claim and recovered only from YECL's shareholder.

The remaining **\$1,863.17 + \$92.67 GST** in travel expenses identified on this invoice and not claimed as part of the Phase 2 proceeding should not be recovered through rates paid by Yukon ratepayers.

ATCO Electric Regulatory Support

According to the schedules submitted in support of YECL's cost claim, the time charges from ATCO Electric that are being claimed as part of the Phase 2 of the GRA start in February 2009. UCG does not understand how that can be the case when the Phase 1 hearing did not occur until May 2009 and the Board's Decision related to Phase 1 of the GRA was not issued until September 30, 2009. Given that the Phase 2 application was not submitted until February 19, 2010, UCG submits that it is unrealistic to assume that any time charges by ATCO Electric personnel recorded in February 2009 through

August 2009 and charged to YECL would have anything to do with the Phase 2 application.

As a result, UCG submits that all of the time-related salaries and burden charged by ATCO Electric for regulatory support for the period prior to September 2009 and included in YECL's cost claim in this proceeding (**\$17,289.70 + \$864.49 GST**) should be disallowed from YECL's cost claim. UCG notes that some of these time charges were booked by individuals that provided administrative regulatory support for which, in UCG's opinion, YECL is not entitled to any recovery regardless of when the services were provided (see additional notes below).

Rochelle Hocker (employee 11365)
March 2009 - 4.0 hours - \$325.13 (including burden)
May 2009 – 2.0 hours - \$162.57 (including burden)

Ken Koenig (employee 02630)
April 2009 – 4.0 hours - \$453.36 (including burden)

Jerry Janow (employee 19238)
April 2009 – 11.0 hours - \$1,211.00 (including burden)

Juanito De Jesus (employee 16185)
May 2009 – 8.0 hours - \$676.03 (including burden)

As been noted previously, UCG does not believe that any costs disallowed from a cost claim should be recovered in rates charged to Yukon ratepayers. The disallowed costs identified here should be recovered from YECL's shareholder.

The witnesses for YECL's part of the Phase 2 application were Nick Palladino, Brian Desjarlais and Scott Duncan. UCG submits that there is no justification to recover the costs for time and disbursements incurred by ATCO's staff who provided "administrative regulatory support" to the ATCO witnesses (i.e., Rochelle Hocker, Ken Koenig, Jerry Janow, Juanito De Jesus, Enrique Nino, Bruce Ramsay and James Grattan).

UCG submits that "administrative regulatory support" hours and costs should be disallowed from the Phase 2 cost claim and recovered only from YECL's shareholder. It does not appear as though YECL submitted all of the detailed timesheets to match up with the monthly summaries of Regulatory Support. Based on the Regulatory Support summary tables, the following time and salary + burden (**\$36,851.52 + \$1,842.58 GST**) should be disallowed from YECL's cost claim:

Rochelle Hocker (employee 11365)
September 2009 – 7.0 hours - \$580.93
November 2009 – 7.0 hours - \$580.73
December 2009 – 40.0 hours - \$3,319.57

January 2010 – 8.0 hours - \$652.26
February 2010 – 7.0 hours - \$616.52
June 2010 – 9.0 hours - \$836.27
July 2010 – 10.0 hours - \$1,022.11
August 2010 – 1.0 hour - \$92.92
September 2010 – 7.0 hours - \$650.43
October 2010 – 1.0 hour - \$92.92

Ken Koenig (employee 02630)

November 2009 – 5.0 hours - \$564.06
December 2009 – 3.0 hours - \$338.44
February 2010 – 9.0 hours - \$1,100.15
June 2010 – 15.50 hours - \$1,942.07
July 2010 – 26.0 hours - \$3,007.10
September 2010 – 8.0 hours - \$1,002.37

Juanito De Jesus (employee 16185)

November 2009 – 24.0 hours - \$1,996.92
December 2009 – 16.0 hours - \$1,270.74

Enrique Nino (employee 22548)

November 2009 – 49.0 hours - \$3,239.93
December 2009 – 13.0 hours - \$820.51
January 2010 – 9.0 hours - \$600.14
February 2010 – 9.0 hours - \$648.31
June 2010 – 9.0 hours - \$664.44
July 2010 – 7.0 hours - \$516.78

Bruce Ramsay (employee 72757)

November 2009 – 1.0 hour - \$118.58
December 2009 – 2.0 hours - \$226.39
January 2010 – 1.0 hour - \$122.60

James Grattan (employee 20336)

December 2009 – 69.0 hours - \$10,227.33

Note: It appears that the “affiliate burden” associated with salaries & wages is 60% while the “fringe benefit burden” was 12% in 2009 and changed to 25.8% in February 2010. UCG has made its calculations using this assumption.

ATCO Electric January 2010 Debit Note for Services for the month of December 2009
UCG submits that the \$37.16 in charges related to meals for an unknown number of people are not eligible for recovery from Yukon ratepayers. UCG submits that **\$37.16 + \$1.86 GST** should be disallowed from YECL’s cost claim.

ATCO Electric February 2010 Debit Note for Services for the month of January 2010

UCG submits that the \$46.51 in charges related to meals for an unknown number of people and the \$57.15 in parking charges are not eligible for recovery from Yukon ratepayers. UCG submits that **\$103.66 + \$5.18 GST** should be disallowed from YECL's cost claim.

ATCO Electric November 2010 Debit Note for Services for the month of October 2010

UCG submits that the \$27.35 related to meals for an unknown number of people are not eligible for recovery from Yukon ratepayers. UCG submits that **\$27.35 + \$1.37 GST** should be disallowed from YECL's cost claim.

ATCO Electric December 2010 Debit Note for Services for the month of November 2010

UCG submits that the \$8,762.73 in salary + burden identified as related to "GRA (Ph 1)" are not recoverable as part of a Phase 2 cost claim. UCG submits that **\$8,762.73 + \$438.14 GST** should be disallowed from YECL's cost claim.

ATCO Electric Debit Note for Services not yet billed

For expenses incurred that were related to attendance at the October 2010 hearing, ATCO Electric charged YECL \$1,699.07. Based on the receipts that were provided, these charges were related to flights, hotels, meals and taxi fare.

UCG submits that the \$172.96 charge related to a meal for an unknown number of people at Earl's in Whitehorse is not eligible for recovery from Yukon ratepayers. While UCG is not sure how this amount was calculated based on the receipt provided which indicates a total bill of \$179.88, UCG submits that **\$172.96 + \$8.65 GST** should be disallowed from YECL's cost claim.

UCG submits that the \$67.31 charge related to a taxi in Edmonton does not indicate a date so it is not clear that this fare was related to transportation from and to airports with respect to attendance at the October 2010 hearing in Whitehorse. While UCG is not sure how this amount was calculated based on the receipt provided which indicates a total bill of \$70.00, UCG submits that **\$67.31 + \$3.37 GST** should be disallowed from YECL's cost claim.

UCG submits that the \$297.57 charge related to hotel accommodation in Whitehorse during the October 2010 hearing should only be \$297.00 (3 nights @ \$99 per night) plus GST. UCG submits that **\$0.57 + \$0.03 GST** should be disallowed from YECL's cost claim.

UCG submits that the \$348.19 charge related to hotel accommodation in Whitehorse during the October 2010 hearing includes charges that should not be recovered from

Yukon ratepayers. The charges claimed include long distance telephone calls that appear to be to Mr. Desjarlais' home and not directly related to the preparation and circulation of evidence, argument and reply. The recoverable charges for the hotel room should only be \$297.00 (3 nights @ \$99 per night) plus GST. UCG submits that **\$51.19 + \$2.56 GST** should be disallowed from YECL's cost claim.

Yukon Energy Corporation

Summary of UCG Submission

UCG submits that, at a minimum, a total of **\$58,795.25 + \$2,939.76 GST** from the costs included in YEC's cost claim should be disallowed, not recovered from Yukon ratepayers and only recovered from YEC's shareholder. On top of this, **\$28,490 + \$1,424.50 GST** of legal fees that were charged to YEC at above-Scale hourly rates should not be recovered through rates charged to Yukon ratepayers.

Legal Costs

As was the case with YECL, YEC has been charged legal fees at an hourly rate in excess of the rate allowed in the Scale of Costs. Even though YEC has not claimed legal fees in excess of the Scale of Costs, UCG submits that all of the legal fees that were charged at above-Scale hourly rates (**\$28,490.00 + \$1,424.50 GST**) should not be recovered through rates charged to Yukon ratepayers.

September 15, 2010 Invoice from Davis LLP

\$111.94 + \$5.60 GST for "catering costs" should be disallowed from YEC's cost claim.

October 25, 2010 Invoice from Davis LLP

\$45.06 + \$2.25 GST for "catering costs" should be disallowed from YEC's cost claim.

November 19, 2010 Invoice from Davis LLP

\$115.10 + \$5.76 GST for "catering costs" should be disallowed from YEC's cost claim.

December 16, 2010 Invoice from Davis LLP

\$166.32 + \$8.32 GST for "restaurant charges" on the Edgewater Hotel invoice should be disallowed from YEC's cost claim.

Intergroup Consultants

Contrary to YEC's claim, UCG submits that any costs incurred by anyone other than Cam Osler, Patrick Bowman and Mona Pollitt-Smith are duplicative and should be regarded as administrative regulatory support. The utilities should not be allowed to pay an unlimited number of consultants in order to prepare their applications for regulatory review. Allowing unlimited costs would establish an unreasonable burden for Yukon

ratepayers. UCG submits that the following **\$45,767.25 + \$2,288.36 GST** in support costs should be disallowed from YEC's cost claim:

September 2009

W. Dang - 41.00 hours - \$2,665.00

October 2009

A. McLaren - 1.00 hour - \$125.00

W. Dang - 74.50 hours - \$5,215.00

November 2009

H. Najmidinov - 15.00 hours - \$1,050.00

W. Dang - 59.00 hours - \$4,130.00

December 2009

H. Najmidinov - 2.50 hours - \$217.50

W. Dang - 43.00 hours - \$3,010.00

January 2010

H. Mahmudov - 63.00 hours - \$5,481.00

J. Zhang - 2.00 hours - \$140.00

H. Najmidinov - 6.50 hours - \$455.00

W. Dang - 24.50 hours - \$1,715.00

February 2010

H. Mahmudov - 50.50 hours - \$4,393.50

J. Zhang - 3.50 hours - \$245.00

H. Nikischer - 12.00 hours - \$840.00

H. Najmidinov - 5.50 hours - \$385.00

March 2010

H. Mahmudov - 9.50 hours - \$826.50

H. Nikischer - 8.50 hours - \$595.00

May 2010

H. Nikischer - 3.00 hours - \$210.00

H. Najmidinov - 5.50 hours - \$385.00

June 2010

A. McLaren - 4.50 hours - \$562.50

H. Mahmudov - 8.50 hours - \$739.50

M. Davies - 11.25 hours - \$787.50

July 2010

A. McLaren - 14.25 hours - \$1,781.25
R. Connon - 1.00 hour - \$107.00
H. Mahmudov - 28.00 hours - \$2,436.00
M. Davies - 8.00 hours - \$560.00
H. Najmidinov - 1.50 hours - \$105.00

August 2010

H. Mahmudov - 22.00 hours - \$1,914.00
H. Najmidinov - 13.25 hours - \$927.50

September 2010

H. Mahmudov - 12.00 hours - \$1,044.00
H. Najmidinov - 23.75 hours - \$1,662.50

October 2010

A. McLaren - 4.00 hours - \$560.00
H. Mahmudov - 2.50 hours - \$260.00
H. Najmidinov - 2.50 hours - \$192.50
G. Senior - 0.50 hours - \$44.50

Travel

UCG submits that the travel costs submitted by InterGroup (\$21,086.51 + \$1,054.33 GST) is excessive given the alternatives (teleconferences, video conferences) that are available. UCG submits that at least half of these costs (**\$10,543.26 + \$527.16**) should be disallowed from YEC's cost claim.

Not only are these travel costs excessive, but UCG wonders why Yukon ratepayers are being asked to pay for Mr. Bowman's air fare to Yellowknife (October 31, 2009 InterGroup Invoice, **\$858.58 + \$42.93 GST**) which should be disallowed from YEC's cost claim.

Only taxi fares related to attendance at the hearing are allowed. UCG submits that the **\$105.21 + \$5.26 GST** in taxi fares and **\$21.43 + \$1.07 GST** in parking costs from 2009 for which receipts are provided (October 31, 2009 InterGroup Invoice) should be disallowed from YEC's cost claim.

UCG submits that the **\$108.14 + \$5.41 GST** in hotel fees and meals from 2009 for which a receipt is provided (October 31, 2009 InterGroup Invoice) should be disallowed from YEC's cost claim.

UCG submits that the **\$196.14 + \$9.81 GST** for car rentals / taxis and **\$35.71 + \$1.79 GST** for parking (November 2009 InterGroup Invoice) should be disallowed from YEC's cost claim.

UCG submits that the **\$5.35 + \$0.27 GST** for car rentals / taxis and **\$14.28 + \$0.71 GST** for parking (January 2010 InterGroup Invoice) should be disallowed from YEC's cost claim.

UCG submits that the **\$20.23 + \$1.01 GST** for car rentals / taxis and **\$28.57 + \$1.43 GST** for parking (July 2010 InterGroup Invoice) should be disallowed from YEC's cost claim.

UCG submits that the **\$11.90 + \$0.60 GST** for car rentals / taxis and **\$28.57 + \$1.43 GST** for parking (August 2010 InterGroup Invoice) should be disallowed from YEC's cost claim.

YEC Costs

UCG submits that costs submitted by YEC for its own expenses should assume to be recovered as part of its allowed revenue requirement. UCG submits that **\$13,748.33** should be amortized as regulatory costs but shown as a credit to revenue requirement to be recovered through rates.

UCG notes that **\$1,470.79** is clearly identified as "meals". UCG submits that none of these costs should be recoverable from Yukon ratepayers.