

UTILITIES CONSUMERS' GROUP

Box 9300

29 Wann Rd.

Whitehorse, Yukon Y1A 4A2

Ph./Fax: 633-5210

February 17, 2007

Yukons Utilities Board

Box 31728

Whitehorse, Yukon

Y1A 6L3

Attention: Deane Lemke, Board Secretary

Re: YEC 20-Year Resource Plan – YEC Cost Claim

Dear Deana:

The Utilities Consumers' Group is in receipt of Yukon Energy's cost claim that was submitted to the Board on February 13. While Board Order 2007-1 defers the Board's consideration of applications for costs until after consideration of the proposed power purchase agreement between YEC and the Minto mine, UCG would like to request that additional information be provided by YEC regarding its interim cost claim.

It is UCG's position that legal counsel and consultants used by the utilities in any regulatory proceeding should be held to the same costs award policy and rules of practice schedules as has been established for all parties of the proceeding.

Legal Counsel Fees

UCG requests that YEC submit a copy of the services agreement with Davis & Company.

According to the Schedule 1, Scale of Costs attached to the Board's Rules of Practice, the maximum fee per hour paid for legal counsel to be recovered in a cost claim is \$225. The Board's policy regards this amount as fair and reasonable contribution by consumers.

According to YEC's cost claim, Davis & Company are requesting \$281.83 per hour for preparation work and \$315 per hour for attendance at the hearing and for the argument and reply portions of the proceeding. UCG understands that the utility counsel can charge rates to the corporation above the maximum fee allowed in the rules, but for the purpose of recovery from the consumer, the scale of costs must be reflected as such.

UCG asks that YEC please confirm the apparently different rates and explain when each of the rates apply and why and to whom.

Consultant Fees – Intergroup Consultants

UCG requests that YEC submit a copy of the services agreement with Intergroup and details on how long Intergroup has been providing consultant services to YEC. UCG also requests an explanation on how the costs of Intergroup's efforts compare to the costs of having a full time employee perform similar duties.

UCG requests an explanation on what hourly rates are being claimed by Intergroup for different portions of the proceeding and by whom.

Intergroup has charge over 1600 hours in preparation time which equates to over two hundred - 8 hour days. UCG requests the dockets for this time.

According to YEC's cost claim, Intergroup is claiming 173.5 hours for attendance. It is UCG's understanding that attendance time would include the workshop , pre-hearing conference and the hearing for the two Intergroup consultants; i.e. we cannot reconcile the charge of 173.5 hours with the amount of time actually spent at the enumerated attendances. UCG requests explanations for the other working hours accumulated in the Intergroup attendance column, with dockets for the full time charged.

Consultant Fees – PowerGroup Associates

UCG requests that YEC submit a copy of the services agreement with Power Group Associates.

UCG is not aware of any participation during the hearing of PowerGroup Associate. We ask that PowerGroup provide dockets for its charged time, along with an explanation for its role in the hearing.

Consultant Fees – Vancouver Computer Drafting Services

UCG requests additional detail on the Vancouver Computer Drafting firm and identification of the employees that worked on this case.

UCG would like more detail on the services provided by Vancouver Computer Drafting including a copy of the services agreement.

YEC Disbursement Claim for Travel Expenses

UCG submits that the travel expenses claimed by the YEC appears to be excessive, given that the Board's Rules of Practice Scale of Costs attachment states: "that airfare is to be at economy or less, **to and from the hearing**, applicable only when attendance is required" and "accommodations **during hearings only** and excluding meals and other charges."

UCG requests YEC provide details these travel expenses, including number of trips, for what purpose, and at what costs.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Roger Rondeau, President Utilities Consumers' Group