



July 31, 2007

Ms. Deana Lemke,  
Executive Secretary  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon Y1A 6L3

Dear Ms. Lemke:

Re: YEC Response to the YUB's July 19, 2007 Letter

***Consultant Fees Related to the Preparation for the CSTP Proceeding***

In Davis LLP's July 3, 2007 letter the preparation portion of YEC's cost claim is described as follows:

"- Preparation covers activities roughly to the start of the oral hearing on May 15, 2007 including the preparation of the application and the interrogatory response process."

The attached table indicated that InterGroup Consultants had charged \$51,231.25 for 439 hours of work. A more detailed breakdown of the work done by InterGroup is described below.

*(a) Breakdown by month*

The work done by InterGroup started in March and for the purposes of YEC's claim for preparation it ended when the hearing began in May. The monthly charges were as follows:

<i>Month</i>	<i>Hours</i>	<i>Invoice Amount</i>
March	183.25	\$ 23,129.00
April	153.25	16,303.25
May	102.50	11,799.00
InterGroup Total	439.00	51,231.25

*(b) Work performed by InterGroup between March and May 15*

The CSTP was the first project designated as a regulated project under Part 3 of the *Public Utilities Act* requiring YEC to apply for energy project and energy operation certificates under Part 3 of the *Public Utilities Act*.

As its primary regulatory consultants, InterGroup was heavily involved in YEC's response to the YTG's designation of the project. It was instrumental in the preparation of the application and the coordination of the materials with YEC, its legal counsel and other authorities. More specifically for the purposes of preparing the application to the YTG, InterGroup did an extensive review of all relevant materials filed for the 20 year Resource Plan Hearing, the PPA review process and the YESAB Project Proposal and screening process.

InterGroup was also involved in preparing preliminary and final drafts of the parts of the application dealing with each of these parts:

- A description of the CSTP.
  - Summary description
  - Anticipated timeline
  - Description of whether any new or expanded public works would be required
  - Description of environmental and socio-economic effects
- Project justification.
  - Need for the Project
  - Risks
  - Effect on ratepayers
- Description of consultation process engaged with regard to the project.
- Discussion of other applications and approvals required and conditions affecting approvals.

In the process of preparing the application, the government announced funding for Stage 1 and Stage 2 of the project and sections of the application had been adjusted to account for the change in circumstances. InterGroup was involved in that process.

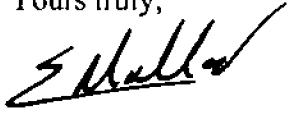
In addition, once the process before the YUB was established in early April, InterGroup was heavily involved in both rounds of IRs, more particularly in coordinating, writing, editing and formatting responses.

Finally, InterGroup was also involved in hearing preparation sessions which included amongst other things the preparation of the necessary materials for the hearing.

*Travel Costs*

Attached please find a detailed breakdown of the travel costs related to each proceeding. Please be aware that all travel was at economy rates, where available, and mileage charges solely related to travel for the consultation activities of the RP

Yours truly,

A handwritten signature in black ink, appearing to read "D. Morrison", written over a horizontal line.

*for* David Morrison,  
President & CEO

**Consultants Fees Related to Preparation for the CSTP proceeding**

<b>YUB Expense Description</b>	<b>Supplier</b>	<b>Month</b>	<b>Hours</b>	<b>Invoice Amount</b>
<b>Consultants</b>	<b>Intergroup</b>	<b>March</b>	<b>183.25</b>	<b>23,129.00</b>
		<b>April</b>	<b>153.25</b>	<b>16,303.25</b>
		<b>May</b>	<b>102.50</b>	<b>11,799.00</b>
	<b>Intergroup Total</b>		<b>439.00</b>	<b>51,231.25</b>
<b>Consultants Total</b>			<b>439.00</b>	<b>51,231.25</b>

