

UTILITIES CONSUMERS' GROUP  
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June 20, 2007

Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon  
Y1A 6L3

Attention: Deana Lemke, Board Secretary

**Review of YEC Application for an Energy Project Certificate and an Energy Operation Certificate - Proposed Carmacks-Stewart Transmission Project - Cost Claim for the Utilities Consumers' Group**

Dear Deana:

As per Board Appendix A, Board Order 2006-7 concerning situations where an intervener hires lawyers/consultants, the Board will consider whether these arrangements are arms length or third party arrangements.

It would appear from the latest Yukon Energy letter regarding intervenor hearing costs, the argument is that McMahon and the Rondeau services agreements are non-valid as presented to the Board.

Mr. McMahon was hired by the UCG as a third party consultant to provide services as per agreements copied to the Board, of which the Board and YEC was aware of from the time of the pre-hearing conference. As UCG has stated before, Mr. McMahon provided services and time beyond the scope of these agreements. If the Board needs further confirmation of the value of Mr. McMahon to UCG and also PIAC in all these processes, I am certain this can be accomplished by UCG requesting such from Mr. Buonaguro.

Mr. Rondeau was hired by the UCG as an arms-length consultant, of which the Board and YEC was aware of from the time of the pre-hearing conference, as per services agreements submitted. Not to consider this is to effectively punish Mr. Rondeau for having built up the knowledge in this field during the course of having represented UCG's interest for the last 15 years. The Board is well aware that Mr. Rondeau has a regulatory consulting business. The CRTC values such in-house arms-length arrangements at a rate of \$470.00 per day, which is greater than the hourly rate requested by Rondeau in this process. The Ontario Energy Board allows recovery for an executive director of Energy Probe as an in-house arms-length intervenor who requests for costs as an employee of his research firm. This is very similar in nature to the position of Mr. Rondeau.

I hope this clarifies some of these issues for the Board.

Yours truly,

Roger Rondeau  
Utilities Consumers' Group