



PUBLIC INTEREST ADVOCACY CENTRE

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May 7, 2013

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Mr. Bruce McLennan, Chair

**Re: Yukon Energy Corporation 2012-2013 General Rates Application
UCG Comments on YEC and YECL Cost Claims**

Dear Mr. McLennan:

Our client, the Utilities Consumers' Group ("UCG"), is in receipt of the cost claims submitted by the Yukon Energy Corporation and Yukon Electrical Company Limited on April 24, 2013. We enclose for review by the Board the comments of UCG on these cost claims.

UCG submits that the cost claims of the two utilities raise considerable concerns with respect to who should be allowed to recover regulatory costs through rates charged to Yukon ratepayers, the continued request for Yukon ratepayers to pay for claimed costs that are not allowed per the YUB's Scale of Costs and on which the YUB has repeatedly denied recovery, and how these disallowed costs are being treated from an accounting and revenue requirement perspective and how transparent this treatment has been.

With respect to YECL's cost claim, UCG submits that none of the costs claimed should be recovered from Yukon ratepayers since, as is the case in other jurisdictions, commercial self-interests should not be allowed to recoup costs from ratepayers. UCG submits that YECL has not specifically demonstrated in their cost claim any benefit that ratepayers will receive from the costs that they have incurred in this proceeding. It is UCG's position that utilities that intervene in regulatory proceedings in which they are not the applicant should do so at the cost of their shareholder not the ratepayer. While YEC did not formally submit a cost claim related to its intervention in the last YECL rates proceeding, UCG questions (especially after seeing YEC's cost claim in this proceeding) how those costs have been treated and whether ratepayers have been held responsible for paying for them without the opportunity to comment on their validity in light of the Scale of Costs.

While UCG's position is that ratepayers should not pay for costs incurred by YECL, a submission on the details of YECL's cost claim has been prepared in order to bring Scale of Cost-related issues to the Board's attention.

With respect to YEC's cost claim, it appears to UCG that YEC continues its practice of applying 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 a utility and its consultants continue to disregard the rulings and determinations of the YUB regarding costs that are not to be recovered from Yukon ratepayers through electricity rates.

UCG also submits that the YEC cost claim is incomplete in that it did not include the costs of internal staff and resources used in this application. UCG submits that these costs should be included in a cost claim so that, when a decision by the YUB is issued, all regulatory proceeding costs are amortized over a longer period of time. YEC's practice of expensing internal regulatory costs related to a proceeding in the year they are incurred simply increases the burden on Yukon ratepayers and is not consistent with the mediation aspects of amortizing regulatory costs over more than one year.

In UCG's opinion, there should be a mechanism stipulated by the Board to ensure that any costs that are disallowed from a utility's cost claim cannot be recovered in any way through rates charged to Yukon ratepayers. UCG submits that along with this mechanism, the utilities should be required to identify in their financial statements how these disallowed costs are being treated. In UCG's view, the Board must be clear in its cost claim order that all costs not allowed to be recovered from ratepayers should be recovered from the utilities' shareholders.

UCG is concerned that if costs incurred by a utility are not shared between the shareholder and ratepayers, there is no incentive for the utility to keep its rate case expenses to a minimum despite the fact that the shareholder benefits with every rate increase.

If there are any questions concerning the contents of this submission, I would ask that they be directed to me by email at mjanigan@piac.ca or by phone at (613) 562-4002 ext 26.

Yours truly,



Michael Janigan
Counsel for UCG

cc: Interested Parties – via email

Utilities Consumers' Group
Submission on Cost Claim – Yukon Electrical Company Limited
Yukon Energy Corporation
2012/2013 General Rate Application

UCG notes that there is a conflict between YECL's Affidavit of Fees and Disbursements (Form 4) and the Summary of Total Costs Claimed (Form 1). In their Affidavit, YECL is claiming total costs of \$36,253.72 (\$33,739.68 plus \$2,514.04 GST). On its Form 1, YECL is claiming total costs including GST of \$33,739.68.

If the Board decides to process YECL's cost claim based on the Affidavit, UCG submits that YECL's claimed GST level is incorrect.

Based on claimed costs of \$33,739.68, the associated 5% GST would be \$1,686.98:

GST on claimed Legal Fees of \$31,136.00:	\$1,556.80
GST on Bennett Jones disbursements of \$1,315.20:	\$ 65.76
GST on ATCO Electric disbursements of \$556.14:	\$ 27.80
GST on YECL disbursements of \$732.34:	<u>\$ 36.61</u>
	\$1,686.98

UCG submits that once the total allowable fees and disbursements are determined, the Board should simply add the 5% GST to the reimbursable amount.

As is detailed below, **UCG submits that, at a minimum, a total of approximately \$13,621 from YECL's cost claim should be disallowed and not recovered from Yukon ratepayers.**

Hourly Legal Fees

YECL is looking to recover an hourly rate of \$320 for the legal services of Allison Sears. According to the Board's Scale of Costs, this is the maximum rate considered for legal counsel with 8 to 12 years at the bar. According to the Scale of Costs, the onus is on the claimant to provide sufficient information for the Board to effectively assess its claim.

As was the case in the Board's Order 2011-08 issued June 27, 2011, YECL has again not submitted any information regarding the years of experience of Ms. Sears who was described as a "junior legal counsel" in Order 2011-08 less than 2 years ago. UCG submits that it is impossible to determine how Ms. Sears could qualify for any hourly rate above that awarded during the previous GRA proceeding. **UCG submits that Ms. Sears fee claim should be reduced to an hourly rate of \$225.00.**

UCG notes that Ms. Sears has actually charged YECL at a rate of \$490.00 per hour. UCG submits that any time charged by Ms. Sears to YECL at hourly rates above whatever the Board allows in this proceeding should not be recovered from Yukon ratepayers through YECL's rates and charges. If the allowed hourly rate is deemed to be \$225.00, then UCG submits that YECL's shareholder should pay for all fees in excess of the rates deemed reasonable by the

YUB for recovery from ratepayers. **In this proceeding, UCG estimates this above-Scale billing by Ms. Sears to be \$25,784.50 (97.3 hours @ \$265.00/hour) plus \$1,289.23 GST.**

Regarding the hours billed, UCG submits it is difficult to determine how much time was spent on various activities especially in November 2012 and whether Ms. Sears included travel time in her billing. UCG submits that the Board should consider a reduction in the allowed claim for this lack of detail so that any allowed claim will only include travel time at half the hourly rate.

YECL submitted its reply argument in this proceeding on December 12, 2012. UCG submits that the charges by Ms. Sears for time on December 20, 2012 regarding the Board's denial of an interim rate application, etc. has nothing to do with the YEC GRA application. Given that there is no specific time identified for this activity, UCG submits that Ms. Sears claim should be reduced. **UCG submits that Ms. Sears' fee claim should be reduced by 5 hours representing the time she charged on December 20, 2012.**

A summary of the above noted reductions:

Allison Sears	97.3 hours @ \$95/hour	\$9,243.50
	<i>(hours billed @ difference between claimed \$320 and allowed \$225/hour)</i>	<u>+ \$462.18</u> GST
		\$9,705.68 reduction to claim

Allison Sears	5 hours @ \$225/hour	\$1,125.00
	<i>(hours disallowed @ allowed \$225/hour)</i>	<u>+ \$ 56.25</u> GST
		\$1,181.25 reduction to claim

Amount to be recovered from YECL shareholder @ difference between billed rate of \$490 and allowed \$225/hour:

Allison Sears	97.3 hours @ \$265/hour	\$25,784.50
		<u>+ \$1,289.23</u> GST
		\$27,073.73

Disbursements

Ms. Sears is claiming disbursements of \$1,315.20 related to travel, accommodations, taxi, excess baggage fees, printing and photocopying.

UCG notes that YECL has not provided any receipts related to these disbursements and no explanation as to how many pages were included in the printing and photocopying charges.

UCG submits that YECL's cost claim should be reduced by \$1,315.20 + \$65.76 GST related to unsubstantiated disbursements by Bennett Jones and that these disallowed costs should not be recovered through YECL's rates either.

Regarding the disbursements claimed by ATCO Electric and YECL, UCG does not understand why Yukon ratepayers should pay the costs of an ATCO staff member (Antonio Martino) being in Whitehorse during the hearing. Mr. Martino was not actively involved in the oral hearing not has YECL provided any information regarding his value to this proceeding.

UCG submits that YECL's cost claim should be reduced by \$1,352.90 (\$1,288.48 + \$64.42 GST) related to unwarranted disbursements by YECL and that these disallowed costs should not be recovered through YECL's rates either.

However, if the Board decides that YECL is allowed to claim the costs of Mr. Martino's attendance in Whitehorse, UCG submits the following.

YECL has claimed total disbursements (and assumed GST) for Mr. Martino as follows:

Airfare	\$ 732.34 + \$36.62 GST = \$ 768.96
Accommodation	\$ 378.00 + \$18.90 GST = \$ 396.90
Taxi	\$ 134.94 + \$ 6.75 GST = \$ 141.69
Meals	<u>\$ 43.20 + \$ 2.16 GST = \$ 45.36</u>
	\$1,288.48 \$64.43 \$1,352.91

With respect to travel, the Scale of Costs clearly state that the Board will recognize claims for airfare at economy rates or less and that claims for airfare are restricted to an oral hearing. YECL's cost claim includes the cost of air travel for Mr. Martino (\$664.10 + \$33.21 GST) plus extra costs of \$68.24 + \$3.41 GST which appear to be related to travel agent fees. **UCG submits that the extra \$71.75 (\$68.24 + \$3.41 GST) in claimed travel fees should not be allowed to be recovered from Yukon ratepayers whether they be customers of YEC or YECL.**

With respect to accommodations, the Scale of Costs states the following:

"The maximum daily claim for accommodation will be based on the allowable rates for accommodations as specified in the most current Accommodation and Car Rental Directory published by Public Works and Government Services Canada (or a renamed successor document). Claims for accommodation are restricted to the duration of an oral hearing. Receipts must accompany all claims for accommodation."

According to the Public Works and Government Services Canada's 2012 Accommodation List, the maximum allowable rate for a hotel stay in Whitehorse was \$119.00 per night (see attached).

While the High Country Inn is not on the list, Mr. Martino should only be able to recover the cost of a comparable room at a hotel listed on the Public Works list. **UCG submits that the extra \$22.05 (\$21.00 + \$1.05 GST) in claimed accommodation costs should not be allowed to be recovered from Yukon ratepayers whether they be customers of YEC or YECL.**

With respect to taxi costs, YECL's receipts clearly indicate that their claim includes the tips to the taxi service. The receipts indicate that the taxi costs excluding tips totalled \$129.20 (\$123.04 + \$6.16 GST). **UCG submits that the extra \$12.49 (\$11.90 + \$0.59 GST) in claimed taxi costs should not be allowed to be recovered from Yukon ratepayers whether they be customers of YEC or YECL.**

With respect to meals, YECL's receipts clearly indicate that their claim again includes tips. The receipts indicate that meal costs excluding tips totalled \$39.36 (\$37.50 + \$1.86 GST). **UCG submits that the extra \$6.00 in claimed meal costs should not be allowed to be recovered from Yukon ratepayers whether they be customers of YEC or YECL.**

Utilities Consumers' Group
Submission on Cost Claim – Yukon Energy Corporation
Yukon Energy Corporation
2012/2013 General Rate Application

As a general comment, it appears to UCG that YEC continues its practice of applying 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 a utility and its consultants continue to disregard the rulings and determination of the YUB regarding costs that are not to be recovered from Yukon ratepayers through electricity rates.

UCG submits that YEC is treating the cost claim process as some sort of game that they hope will wear intervenors down such that they will not want to waste their time going through the hundreds of pages of documents submitted in order to identify the truth behind what YEC is trying to blow by the YUB.

UCG submits that 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 excessive hourly rates, meals, accommodations, etc. that should never be included in a cost claim. The YUB has made the same determinations proceeding after proceeding and yet the utility thumbs its nose at these previous rulings.

UCG submits that when making its decision regarding YEC's cost claim, the YUB needs to send a strong message that this continued flagrant disregard for established rules of practice will not be tolerated. UCG submits that it is time that YEC's shareholder be made to pay costs that the utility wants to inappropriately pin on Yukon ratepayers.

Summary of UCG Submission

In its cost claim, YEC is asking to recover a total of \$825,377.00 in legal and consultant fees and disbursements.

UCG submits that, at a minimum, a total of approximately \$407,345 from YEC's cost claim should be disallowed and not recovered from Yukon ratepayers.

UCG submits that while YEC has attempted to bury all parties in a mountain of paper related to its cost claim, many of the receipts provided lack the detail required by the Board to accurately attribute the costs to YEC since they do not include detail as to who actually incurred / paid the cost itemized on the receipt. UCG questions how a random pile of receipts can possibly allow the Board to make any decision regarding their legitimacy.

Hourly Legal Fees

In its cost claim, YEC has included professional fees of Davis LLP totalling \$166,815.00 based on 476.7 hours worked. This is approximately 92.3% of the \$180,765.00 actually billed to YEC at higher than allowed rates per the Scale of Costs.

UCG submits that the costs charged by Davis LLP at rates above hourly rates included in the maximum Scale of Costs rates (deemed reasonable for recovery from ratepayers) should not be recovered from Yukon ratepayers. UCG estimates this above-Scale billing to be \$13,950.00 although it is not clear whether GST needs to be added to this amount.

Disallowance of Witness Preparation Session Costs

YEC states in its cost claim that hearing panel preparation sessions were held **August 21-22, 2012** and **September 10-14, 2012** in Vancouver as well as **October 9-11, 2012** in Winnipeg¹.

In its Order 2009-11 regarding cost claims associated with the previous GRA proceeding, the Board disallowed costs associated with witness preparation sessions²:

In addition, the Board disallows all disbursements related to the witness preparation session as the need for such a session was not substantiated and the Board finds these expenses were not prudent or reasonable based on the following. The witnesses for YEC in the Application are experts and have appeared before the Board on numerous occasions. Also, YEC had experienced counsel to guide and prepare its witnesses.

Beyond the consistency of denying the costs of witness preparation sessions, UCG notes that YEC is claiming costs for witness preparation sessions for individuals who were not even witnesses at the hearing (Pollitt-Smith).

Based on its analysis of the extensive documentation submitted with YEC’s cost claim, **UCG submits that the claims for \$46,149.00 for time and \$6,261.27 for disbursements charged to this proceeding on the days identified for witness preparation sessions and the days preparing for these sessions should be disallowed and not recovered from ratepayers:**

Davis LLP Legal Services Fees Related to Witness Preparation Sessions

August 20, 2012	1.0 hour	@ \$350/hour =	\$ 350.00
August 21, 2012	0.5 hour	@ \$350/hour =	\$ 175.00
August 22, 2012	2.5 hours	@ \$350/hour =	\$ 875.00
September 10, 2012	7.0 hours	@ \$350/hour =	\$ 2,450.00
September 11, 2012	7.0 hours	@ \$350/hour =	\$ 2,450.00
September 12, 2012	5.0 hours	@ \$350/hour =	\$ 1,750.00
September 13, 2012	7.5 hours	@ \$350/hour =	\$ 2,625.00
September 14, 2012	3.0 hours	@ \$350/hour =	\$ 1,050.00
October 9, 2012	7.0 hours	@ \$350/hour =	\$ 2,450.00
October 10, 2012	8.5 hours	@ \$350/hour =	\$ 2,975.00
October 11, 2012	8.5 hours	@ \$350/hour =	<u>\$ 2,975.00</u>
			\$20,125.00

¹ YEC Cost Claim dated April 24, 2013, page 9.

² Board Order 2009-11 dated December 8, 2009, page 11.

InterGroup Services Fees Related to Witness Preparation Sessions

Osler:

September 10, 2012	10.0 hours	@ \$230/hour =	\$ 2,300.00
September 11, 2012	10.0 hours	@ \$230/hour =	\$ 2,300.00
September 12, 2012	10.0 hours	@ \$230/hour =	\$ 2,300.00
September 13, 2012	9.5 hours	@ \$230/hour =	\$ 2,185.00
September 14, 2012	4.0 hours	@ \$230/hour =	\$ 920.00
October 9, 2012	7.0 hours	@ \$236/hour =	\$ 1,652.00
October 10, 2012	9.5 hours	@ \$236/hour =	\$ 2,242.00
October 11, 2012	9.0 hours	@ \$236/hour =	<u>\$ 2,124.00</u>
			\$16,023.00

Pollitt-Smith:

September 8, 2012	5.0 hours	@ \$120/hour =	\$ 600.00
September 9, 2012	7.0 hours	@ \$120/hour =	\$ 840.00
September 10, 2012	12.0 hours	@ \$120/hour =	\$ 1,440.00
September 11, 2012	12.0 hours	@ \$120/hour =	\$ 1,440.00
September 12, 2012	11.0 hours	@ \$120/hour =	\$ 1,320.00
September 13, 2012	9.0 hours	@ \$120/hour =	\$ 1,080.00
September 14, 2012	3.0 hours	@ \$120/hour =	\$ 360.00
October 9, 2012	6.0 hours	@ \$127/hour =	\$ 762.00
October 10, 2012	8.5 hours	@ \$127/hour =	\$ 1,079.50
October 11, 2012	8.5 hours	@ \$127/hour =	<u>\$ 1,079.50</u>
			\$10,001.00

Intergroup Consultants Disbursements

August 21-24, 2012

Airfare (Osler) – Winnipeg to Vancouver	\$465.00 + \$23.25 tax
Delta Hotel, Vancouver	\$400.94 + \$48.12 tax
Taxi	\$12.38 + \$0.62 tax
Train	\$2.23 + \$0.27 tax
Airfare (Pollitt-Smith) – Winnipeg to Vancouver	\$465.00 + \$23.25 tax
Delta Hotel, Vancouver	\$400.94 + \$48.12 tax
Meal	\$10.94 + \$1.14 tax

September 10-14, 2012

Airfare (Osler) – Winnipeg to Vancouver	\$930.00 + \$46.50 tax
Delta Hotel, Vancouver	\$924.85 + \$111.00 tax
Meals	\$245.66 + \$26.66 tax
Taxi	\$54.97 + \$4.58 tax
Train	\$2.23 + \$0.27 tax
Airfare (Pollitt-Smith) – Winnipeg to Vancouver	\$930.00 + \$46.50 tax
Delta Hotel, Vancouver	<u>\$924.85 + \$111.00 tax</u>

Total:

\$5,769.99 + \$491.28 GST/PST/HST

While UCG is recommending that all of these disbursements should be disallowed, here are some additional comments on the kinds of expenses that YEC and its consultants are trying to get Yukon ratepayers to pay through rates:

September 10, 2012 – InterGroup Dinner for 2 at Water Street Cafe

- While InterGroup is trying to recover \$63.90 (\$57.94 + \$5.96 tax), the receipt clearly does not provide any detail on what was consumed nor if liquor was included. Without a clearly detailed receipt and identification on the receipt of who incurred/paid this cost, this expense would have to be disallowed regardless.

September 11, 2012 – InterGroup Dinner for 2 at Al Porto Restaurant

- While InterGroup is trying to recover \$71.88 (\$64.17 + \$7.71 tax), the receipt clearly states that the meal excluding wine and tip was only \$60.20 (\$53.75 + \$6.45 tax).

September 12, 2012 – InterGroup Dinner for 2 at Zefferelli's Restaurant

- While InterGroup is trying to recover \$63.90 (\$73.77 + \$7.80 tax), the receipt clearly does not provide any detail who incurred/paid this cost, so this expense would have to be disallowed regardless.

September 13, 2012 – InterGroup Dinner for 2 at Coast Restaurant

- While InterGroup is trying to recover \$54.97 (\$49.78 + \$5.19 tax), the receipt clearly states that the meal excluding wine and tip was only \$46.93 (\$41.90 + \$5.03 tax).

September 9-14, 2012

- According to the Public Works and Government Services Canada's 2012 Accommodation List, the maximum allowable rate for a hotel stay in Vancouver was \$159.00 per night (see attached). InterGroup's cost claim included hotel charges that totalled \$207.17 per night for 10 nights (5 nights each for 2 people). That's an attempt to overcharge Yukon ratepayers by \$481.70.

Hearing Attendance

For the 3 day hearing, InterGroup has claimed a total of \$21,032.36 which is comprised of 86.75 hours / \$13,226.75 in professional fees and \$7,805.61 in expenses. That averages \$7,010.79 per day of the hearing. Based on our review of the receipts provided, **UCG submits that at least \$4,261.49 of these hearing-related claimed costs should not be allowed to be recovered from Yukon ratepayers.**

While UCG understands that costs related to witnesses at a hearing are inevitable, there does not appear to be any reason why InterGroup needs to be represented in person by 3 people at a hearing where only 1 was required to testify. In this era of electronic communications, there is no need for InterGroup to soak Yukon ratepayers for the costs of bringing an entourage to support Mr. Osler at a hearing. UCG submits that the Board needs to clamp down on these needless costs and force YEC and its consultants to use the conveniences of the 21st Century (teleconference, email, text messaging, etc.) to cut down on needless and duplicative costs.

UCG submits that the \$3,749.92 in airfare, hotel meal and taxi costs associated with the attendance of Ms. Pollitt-Smith and Mr. Najmidinov at the hearing should be disallowed.

Pollitt-Smith		
Airfare		\$1,177.12
Hotel		\$ 955.97
Meals		\$ 145.50
		\$2,278.59
Najmidinov		
Airfare		\$ 942.00
Hotel		\$ 476.00
Taxi		\$ 53.33
		\$1,471.33

UCG submits that the following \$511.57 in hearing-related costs should not be recovered from Yukon ratepayers:

- The November 15, 2012 High Country Inn invoice (Osler) identifies **\$173.48** in restaurant expenses for which no separate receipts were provided which prevents the YUB and other parties from identifying the number of people that ate and if liquor and tip-related expenses were included.
- The November 15, 2012 High Country Inn invoice (Pollitt-Smith) identifies **\$152.19** in restaurant expenses for which no separate receipts were provided which prevents the YUB and other parties from identifying the number of people that ate and if liquor and tip-related expenses were included.
- The November 9, 2012 receipt from Eljay Catering (**\$185.90**), besides being for meals outside of the hearing period of November 12-14, 2012, does not provide details which prevents the YUB and other parties from identifying the number of people that ate and if liquor expenses were included.

Travel Expenses Related to Meetings

Given the obvious high costs involved when hiring a consultant from outside the Yukon, UCG submits that YEC's claimed expenses related to meetings with InterGroup representatives is getting out of control.

The YUB has previously found the costs related to meetings to be excessive and unreasonable, even after deleting meal costs and incidental expenses which cannot be recovered under the Scale of Costs³.

In particular, UCG notes the following expenses incurred in order to bring InterGroup representatives to Vancouver and Whitehorse for meetings (other than oral hearing related) when video conferencing and teleconferencing are available. Based on our review of the receipts provided, **UCG submits that all \$20,004.93 of these meeting-related claimed costs should not be allowed to be recovered from Yukon ratepayers.** Instead, YEC should be given clear instructions to use more economical means to meet with external consultants.

³ Board Order 2009-11, page 11

Similarly, the **\$3,044.24** in expenses incurred to bring Davis LLP representatives to these meetings should be disallowed.

January 4-6, 2012

Airfare (Osler, Pollitt-Smith)	\$ 913.68
Hotel (Osler, Pollitt-Smith)	\$ 258.34
Train (Osler)	\$ 6.02
Taxi (Osler)	\$ 12.38
Meals (Osler)	<u>\$ 81.71</u>
	\$1,272.13 + \$63.61 GST

January 16-23, 2012

Hotel (Osler, Pollitt-Smith)	\$ 249.90
Taxi (Osler)	\$ 18.09
Meals (Osler)	<u>\$ 22.51</u>
	\$ 290.50 + \$14.53 GST

February 9-10, 2012

Airfare (Osler, Pollitt-Smith)	\$1,827.34
Hotel (Osler, Pollitt-Smith)	\$ 258.34
Train (Osler)	\$ 8.92
Taxi (Osler)	\$ 24.76
Meals (Osler)	<u>\$ 70.90</u>
	\$2,190.26 + \$109.51 GST

March 11-14, 2012

Airfare (Osler, Pollitt-Smith)	\$ 930.00
Hotel (Osler, Pollitt-Smith)	\$ 266.60
Train (Osler)	\$ 6.02
Taxi (Osler)	<u>\$ 11.42</u>
	\$1,214.04 + \$60.70 GST

May 29 – June 2, 2012

Airfare (Osler, Pollitt-Smith)	\$2,334.18
Hotel (Osler)	\$ 235.58
Taxi (Osler)	\$ 46.25
Meals (Osler)	<u>\$ 152.91</u>
	\$2,768.92 + \$138.45 GST

July 8 - 12, 2012

Airfare (Osler, Pollitt-Smith)	\$2,055.24
Hotel (Osler, Pollitt-Smith)	\$ 779.16
Taxi (Osler)	\$ 12.38
Meals (Osler, Pollitt-Smith)	\$ 218.24
Airfare (Landry)	\$ 610.00
Hotel (Landry)	\$ 135.45
Meals (Landry)	<u>\$ 29.78</u>
	\$3,840.25 + \$192.01 GST

July 18 - 20, 2012

Airfare (Osler, Pollitt-Smith)	\$1,860.00
Hotel (Osler, Pollitt-Smith)	\$ 806.02
Taxi (Osler)	\$ 23.81
Train (Osler)	\$ 8.26
Meals (Osler, Pollitt-Smith)	<u>\$ 114.84</u>
	\$2,812.93 + \$140.65 GST

August 21 - 24, 2012

Airfare (Osler, Pollitt-Smith)	\$ 930.00
Hotel (Osler, Pollitt-Smith)	\$ 801.88
Taxi (Osler)	\$ 12.38
Train (Osler)	\$ 2.23
Meals (Pollitt-Smith)	<u>\$ 10.94</u>
	\$1,757.43 + \$87.87 GST

September 9 - 14, 2012

Airfare (Osler, Pollitt-Smith)	\$1,860.00
Hotel (Osler, Pollitt-Smith)	\$1,849.70
Taxi (Osler)	\$ 54.97
Train (Osler)	\$ 2.23
Meals (Osler)	<u>\$ 245.66</u>
	\$4,012.56 + \$200.63 GST

October 3, 2012

Hotel (Osler, Pollitt-Smith)	\$ 318.28
Taxi (Osler)	\$ 54.97
Train (Osler)	\$ 2.23
Meals (Osler)	<u>\$ 245.66</u>
	\$ 621.14 + \$31.06 GST

October 9-12, 2012

Airfare (Landry)	\$ 1,517.24
Hotel (Landry)	\$ 407.40
Taxi / Parking (Landry)	\$ 128.95
Meal (Landry)	<u>\$ 28.75</u>
	\$ 2,082.34 + \$185.62 GST/PST/HST

Additional notes on these expenses:

- The \$81.71 in claimed meal expenses in January 2012 was not supported by proper receipts. The January 6, 2012 Delta Hotel invoice (Osler) identifies a Spencer's Lounge expense (\$31.50) that is not supported with a separate receipt to properly identify number of people nor if liquor and tip-related expenses were included. The January 6, 2012 receipt for Monk's Grill does not identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.
- The \$70.90 in claimed meal expenses in February 2012 was not supported by proper receipts. The receipt for a meal at the Water Street Café does not have a legible date nor does it identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.

- The May 30, 2012 Yukon Inn invoice notation for Restaurant Charges (\$14.17) was not supported with a separate receipt to properly identify number of people nor if liquor and tip-related expenses were included.
- The May 29, 2012 receipt for a meal at Antoinette's Food and the May 31, 2012 meal receipt from the Yukon Inn do not identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.
- The July 10, 2012 receipt for a meal at Antoinette's Food does not identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.
- The July 11, 2012 invoice (Osler) from the Westmark Hotel identifies two food and one beverage charges for which no separate receipts are provided to properly identify number of people nor if liquor and tip-related expenses were included.
- The July 11, 2012 invoice (Pollitt-Smith) from the Westmark Hotel identifies food from a lounge for which no separate receipt is provided to properly identify if liquor and tip-related expenses were included.
- The July 12, 2012 invoice (Osler) from the Delta Hotel identifies a Pier 73 Dinner but a separate receipt was not provided to properly identify number of people nor if liquor and tip-related expenses were included.
- The July 12, 2012 invoice (Pollitt-Smith) from the Delta Hotel identifies a Hemisphere meal but a separate receipt was not provided to properly identify if tip-related expenses were included.
- The July 19, 2012 Fairmont Hotel invoice (Osler) indicates room charges of \$230.32, the July 19, 2012 Fairmont Hotel invoice (Pollitt-Smith) indicates room charges of \$230.32, the July 20, 2012 Delta Hotel invoice (Osler) indicates room charges totalling \$221.05, and the July 20, 2012 Delta Hotel invoice (Pollitt-Smith) indicates room charges totalling \$221.05 which are well in excess of \$159.00 per night maximum allowed under the Public Works and Government Services Canada's 2012 Accommodation List for a hotel stay in Vancouver.
- The July 19, 2012 receipt from Scoozis Restaurant does not identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.
- The July 19, 2012 receipt from Al Porto Restaurant does not identify how many people were in the party nor if liquor was consumed.
- The August 24, 2012 Delta Hotel invoice (Osler) indicates room charges of \$224.53 for each of three nights and the August 24, 2012 Delta Hotel invoice (Pollitt-Smith) indicates room charges of \$224.53 for each of three nights which are well in excess of \$159.00 per night maximum allowed under the Public Works and Government Services Canada's 2012 Accommodation List for a hotel stay in Vancouver.
- The August 24, 2012 Delta Hotel invoice (Pollitt-Smith) indicates two breakfast charges totalling \$33.12 for which a separate receipt was not provided to properly identify if tip-related expenses were included.

- The September 14, 2012 Delta Hotel invoice (Osler) indicates room charges of \$207.17 for each of five nights and the September 14, 2012 Delta Hotel invoice (Pollitt-Smith) indicates room charges of \$207.17 for each of five nights which is well in excess of \$159.00 per night maximum allowed under the Public Works and Government Services Canada's 2012 Accommodation List for a hotel stay in Vancouver.
- The September 12, 2012 receipt from Zefferelli's Restaurant does not identify who incurred / paid the cost.
- The September 10, 2012 receipt from the Water Street Cafe does not identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.
- The Davis LLP receipts for taxi in Winnipeg (October 9, 2012) and parking in Vancouver (October 11, 2012) do not identify who incurred / paid the cost.
- The Davis LLP receipt for a Radison bar in Winnipeg (\$30.19) included in January 4, 2013 invoice does not appear to have a date on it nor does it identify who incurred / paid the cost nor whether it included liquor.
- The Davis LLP receipt for the High Country Inn (\$20.13) dated November 10, 2012 included in January 4, 2013 invoice does not identify who incurred / paid the cost nor whether it included liquor.
- The Davis LLP receipt for the High Country Inn (\$29.13) dated November 9, 2012 included in January 4, 2013 invoice is not related to a hearing day, does not identify who incurred / paid the cost nor whether it included liquor.
- The Davis LLP receipt for a Surdell Taxi (\$59.95) dated November 14, 2012 included in January 4, 2013 invoice does not identify who incurred / paid the cost.
- The November 14, 2012 High Country Inn invoice for Landry includes meal charges totalling \$130.22 but they are not supported with separate receipts to properly identify number of people nor if liquor and tip-related expenses were included.

Professional Fees Charged by Davis LLP

Given that the explanations for 5.5 hours of Mr. Landry's time have been covered up on the May 28, 2012 invoice yet still included in the claim, **UCG submits that the \$2,062.50 related to this time should be excluded from recovery from Yukon ratepayers.**

There were time charges on November 11, 2012 associated with a professional identified as only C.A. Miller but no information has been provided on this person's qualifications to warrant payment at \$325 per hour. **UCG submits that the costs associated with this time (1.2 hours = \$390) should not be recovered from Yukon ratepayers.**

Professional Fees Charged by InterGroup Consultants

In YEC's cost claim, the following 3 InterGroup consultants have claimed a total of \$377,673.46 for professional fees over a 10 month period:

Cam Osler	770 hours	\$178,612.00 + \$8,930.60 GST = \$187,542.60
Patrick Bowman	195.5 hours	\$ 34,322.50 + \$1,716.13 GST = \$ 36,038.63
Mona Pollitt-Smith	1,207 hours	\$146,754.50 + \$7,337.73 GST = \$154,092.23

UCG submits that this is not only an extraordinarily high amount, but the Board must question how much duplication of effort is involved when the hours claimed are typically for 2 or 3 consultants at the same time. **UCG submits that at least 25% (\$89,922.25 + \$4,496.11 GST) of these costs should be disallowed due to duplication of efforts.**

In its Order 2009-11 regarding cost claims associated with the previous GRA proceeding, the Board disallowed costs associated with the support staff for which InterGroup continues in this current proceeding to try to recover costs on top of service fees⁴:

"The Board has disallowed the fees claimed by InterGroup for administrative services including clerical, administrative and production staff because under the Scale of Costs, administrative services are considered part of the overhead charges implicit in the normal operation of a professional office. Therefore, such costs are included in the hourly fee paid to a professional under section 1 of the Scale of Costs. Accordingly, the Board denies the hours included for administrative support.

In addition, the Board disallows the professional fees of any analysts other than Cam Osler, Patrick Bauman and Mona Pollitt-Smith, as no explanation was provided for having additional staff preparing the Application, these fees were unsubstantiated. Also, from the time sheet description of services provided by Cam Osler, Patrick Bauman and Mona Pollitt-Smith, the Board finds that there was duplication in the services provided. Furthermore, the Board will not award costs for time spent on issues relating to Phase 2 rate matters as set out in the reasons above. The Board emphasizes that the time spent on these issues did not add value to the proceeding, as it hindered the efficiency and effectiveness of the proceeding. As a result, the Board further reduces the InterGroup professional fees by 25%.

With respect to disbursements, the Board in the past has exercised its discretion by allowing for the recovery of travel expenses claimed by a utility for the preparation of its application if these costs were reasonable. The Board has reviewed the travel costs for meetings claimed by Davis LLP, InterGroup and YEC, which amount to \$47,542.94. The Board finds that the costs related to meetings are excessive and unreasonable, even after deleting meal costs and incidental expenses which cannot be recovered under the Scale of Costs. Further, the Board finds that YEC has not supported the need for all the meetings that occurred and for the attendance of the various participants at those meetings. As a result, the Board reduces the travel costs claimed by Davis LLP, InterGroup and YEC for such meetings by one-half."

UCG submits that InterGroup continues to attempt to gouge Yukon ratepayers for its services by double charging for staff support and inappropriate disbursements. In UCG's view, it is unbelievable that YEC would submit a cost claim that would include not only duplicative charges by InterGroup's leading professionals (Cam Osler, Patrick Bowman and Mona Pollitt-Smith) but would also include costs associated with support staff for which time sheets indicate that their

⁴ Board Order 2009-11 dated December 8, 2009, pages 10-11

time was spent booking travel, formatting memos, working on tabs, working on expense reports, typing up summaries, conducting background research, PDFing documents, or simply “worked on Phase 1 GRA”. YEC appears to be misguided in part by the belief that “professional services for document production are not included in consultant fees⁵”. UCG submits that only the misinformed could think that this type of administrative support would not already be considered normal overhead and support already incorporated on consultant fees.

UCG submits that all of the \$149,950.25 in costs associated with time included in YEC’s cost claim for the following InterGroup support staff should not only be disallowed from the cost claim but recovered from YEC’s shareholder rather than recovered through rates charged Yukon ratepayers:

Hamid Najmidinov:	816.0 hours	\$70,039.25 (<i>work on tabs</i>)
Yadili Okwumabua:	463.0 hours	\$34,248.00 (<i>attend meetings, planning</i>)
Andrew McLaren	23.75 hours	\$ 3,681.25 (<i>write memos</i>)
Christina Blouw	7.5 hours	\$ 592.50 (<i>compile orders/directives</i>)
Shuo Zhang	139.0 hours	\$10,981.00 (<i>cross-check numbers, references</i>)
Jolene Mollard	166.5 hours	\$11,481.75 (<i>formatting, planning, book travel</i>)
Gene Senior	3.5 hours	\$ 322.00 (<i>editing</i>)
Hayitbay Mahmudov	98.0 hours	\$11,760.00
Amanda Davies	51.25 hours	\$ 3,023.75 (<i>booked travel, labels</i>)
Anita Horvat	21.5 hours	\$ 1,268.50 (<i>formatting, PDFing</i>)
Rajni Chopra	5.0 hours	\$ 295.00 (<i>work on expense report</i>)
Celeste Linton	35.75 hours	\$ 2,109.25 (<i>formatting, tabs</i>)
Jeff Valdivia	1.5 hours	\$ 118.50
Nancy Leblond	0.5 hours	\$ 29.50 (<i>draft budget info</i>)

UCG questions why despite clearly classifying the time put in by Jolene Mollard as “production and administrative”, InterGroup still included her time and associated cost to Yukon ratepayers as part of this cost claim.

While YEC was charged for time worked by Perry Hansen, Carla Gray, Linda Verbeek and Doug Yaholkoski, none of the associated costs appear to be included in the “YUB Allowed

⁵ YEC Cost Claim, page 7

Expense” because it was deemed to be administrative in nature. However, these appear to be the only time charges treated as administrative in the YEC cost claim.

Given that YEC submitted its reply argument on December 12, 2012, UCG submits that the time charged by InterGroup Consultants (\$472.77) after that date should automatically be disallowed from recovery since it adds nothing to these proceedings.

Cam Osler	0.75 hours	\$177.00 + \$8.85 GST = \$185.85
Hamid Najmidinov	2.5 hours	\$227.50 + \$11.38 GST = \$238.88
Rajni Chopra	0.75 hours	\$45.75 + \$2.29 GST = \$48.04

Other Disbursements Claimed by Davis LLP and InterGroup

While the YUB has already determined that meals will not allowed to be recovered from Yukon ratepayers⁶ and has specifically determined there is an allowance per page for photocopies or printing charges⁷, YEC’s claim still includes claims for meals and catering services and does not include any detail regarding pages copied. UCG submits that this blatant disregard for the existing rules and policies is a continued drain on Board and intervenor time since this detail is often hidden from plain view.

UCG submits that the following \$6,190.57 in claimed disbursements should not be allowed to be recovered from Yukon ratepayers since they are either outright not allowed per the Scale of Costs or YEC has not provided sufficient detail to allow the YUB to properly identify the expense as within the Scale of Costs guidelines:

Davis LLP

February 29, 2012 Invoice

- Catering Services \$86.68 + \$4.33 GST = \$91.01

March 27, 2012 Invoice

- Catering Services \$33.16 + \$1.66 GST = \$34.82
- Photocopying \$12.00 + \$0.60 GST = \$12.60
- Photocopying – Colour \$5.70 + \$0.29 GST = \$5.99

April 25, 2012 Invoice

- Catering Services \$130.70 + \$6.54 GST = \$137.24

June 22, 2012 Invoice

- Photocopying \$0.30 + \$0.02 GST = \$0.32
- Photocopying – Colour \$11.70 + \$0.59 GST = \$12.29

July 20, 2012 Invoice

- Photocopying \$8.70 + \$0.44 GST = \$9.14
- Photocopying – Colour \$7.20 + \$0.36 GST = \$7.56

⁶ Board Order 2009-11, page 11 and Scale of Costs, page 3.

⁷ Scale of Costs, page 3

August 27, 2012 Invoice

- Catering Services $\$33.30 + \$1.67 \text{ GST} = \$34.97$
- Binding $\$8.80 + \$0.44 \text{ GST} = \$9.24$
- Photocopying - Colour $\$1.50 + \$0.08 \text{ GST} = \$1.58$
- Printing $\$458.00 + \$22.90 \text{ GST} = \$480.90$

September 24, 2012 Invoice

- Catering Services $\$41.20 + \$2.06 \text{ GST} = \$43.26$

October 25, 2012 Invoice

- Catering Services $\$87.20 + \$4.36 \text{ GST} = \$91.56$
- Photocopying $\$1.20 + \$0.06 \text{ GST} = \$1.26$

November 23, 2012 Invoice

- Catering Services $\$9.96 + \$0.50 \text{ GST} = \$10.46$
- Photocopying $\$7.50 + \$0.38 \text{ GST} = \$7.88$

December 21, 2012 Invoice

- Binding $\$5.85 + \$0.29 \text{ GST} = \$6.14$
- Photocopying $\$68.40 + \$3.42 \text{ GST} = \$71.82$

January 4, 2013 Invoice

- Catering Services $\$31.10 + \$1.56 \text{ GST} = \$32.65$

InterGroup Consultants

January 31, 2012 Invoice

- Photocopying $\$222.55 + \$11.13 \text{ GST} = \$233.68$

February 29, 2012 Invoice

- Photocopying $\$439.00 + \$21.95 \text{ GST} = \$460.95$

March 31, 2012 Invoice

- Photocopying $\$787.80 + \$39.39 \text{ GST} = \$827.19$

April 30, 2012 Invoice

- Taxi (Mollard) $\$6.66 + \$0.33 \text{ GST} = \$6.99$
- Office Supplies $\$12.15 + \$0.61 \text{ GST} = \$12.76$
- Photocopying $\$754.25 + \$37.71 \text{ GST} = \$791.96$

May 31, 2012 Invoice

- Photocopying $\$103.10 + \$5.16 \text{ GST} = \$108.26$

June 30, 2012 Invoice

- Photocopying $\$73.75 + \$3.69 \text{ GST} = \$77.44$

July 31, 2012 Invoice

- Working Dinner $\$36.27 + \$1.81 \text{ GST} = \$38.08$

- Photocopying \$845.90 + \$42.30 GST = \$888.20
- Taxi (Mollard) \$17.15 + \$0.86 GST = \$18.01

August 31, 2012 Invoice

- Taxi (Okwamabua) \$9.95 + \$0.50 GST = \$10.45
- Photocopying \$199.70 + \$9.99 GST = \$209.69

September 30, 2012 Invoice

- Photocopying \$60.25 + \$3.01 GST = \$63.26

October 31, 2012 Invoice

- Catered Lunch Meetings \$263.62 + \$13.18 GST = \$276.80
- Photocopying \$481.75 + \$24.09 GST = \$505.84

November 30, 2012 Invoice

- Photocopying \$212.90 + \$10.65 GST = \$223.55

December 31, 2012 Invoice

- Photocopying \$318.83 + \$15.94 GST = \$334.77

Disbursements Claimed by YEC

Airfare

YEC is claiming airfare costs of \$5,996.18 excluding taxes. YEC has incorrectly calculated this number by taking all airfare costs and simply removing 5% for GST.

In reality, the airfare receipts supplied by YEC include GST and HST costs. Based on UCG's calculations, actual airfare receipts included in YEC's cost claim total \$5,442.01 + \$505.00 for change fees and expiry extensions + \$383.44 GST/HST for a total of \$6,330.45.

According to the Scale of Costs, receipts for air travel are required and must clearly identify the date of departure and arrival. The only receipts for Mr. Morrison's travel is a pass for 10 credits related to future travel effective November 20, 2012 plus a fee to extend the expiry date to February 2013. There is no detail provided as to when the claimed trips totalling \$2,135.00 (\$2,033.33 + \$101.67 GST) were taken nor why the \$315.00 fee to extend the expiry date beyond the timing for this proceeding is relevant. UCG questions how many trips outside of Whitehorse would be required between November 20, 2012 and December 12, 2012 (the filing date of YEC's reply argument). **UCG submits that none of Mr. Morrison's claimed airfare costs of \$2,450.00 should be recoverable from Yukon ratepayers.**

Regarding Mr. Mollard's airfare costs, receipts provided appear to identify the following trips that total \$3,880.45 (\$3,408.68 + \$205.00 in change fees + \$266.77 GST/HST):

May 17-23, 2012 Whitehorse-Vancouver-Kelowna (return)
 \$75 change fee + \$3.75 GST = \$78.75

July 16-17, 2012 Whitehorse – Vancouver (return)
\$468.24 + \$55 change fee = \$523.24 + \$26.17 GST = \$549.41

August 22-24, 2012 Whitehorse-Vancouver (return)
\$323.12 + \$264.12 + \$47.85 GST/HST = \$635.09

September 10, 2012 Whitehorse – Vancouver
\$214.12 + \$10.71 GST = \$224.83

September 14, 2012 Vancouver – Whitehorse
\$226.12 + \$27.13 GST/HST = \$253.25

October 5, 2012 Whitehorse - Vancouver
\$144.12 + \$7.21 GST = \$151.33

October 5-14, 2012 Vancouver – Winnipeg - Edmonton
\$299.12 + \$234.12 = \$533.24 + \$47.60 GST/HST = \$580.84

October 15, 2012 Edmonton – Vancouver – Whitehorse
\$125.00 + \$75 change fee + \$10.00 GST = \$210.00

October 16, 2012 Edmonton – Calgary – Whitehorse
\$229.12 + \$11.46 GST = \$240.58

October 23, 2012 Whitehorse-Vancouver
\$224.12 + \$11.21 GST = \$235.33

October 26, 2012 Vancouver – Whitehorse
\$219.12 + \$27.13 GST/HST = \$253.25

November 5-8, 2012 Whitehorse-Vancouver (return)
\$209.12 + \$229.12 = \$438.24 + \$36.55 GST/HST = \$474.79

While a change fee related to a trip to Kelowna appears to have no relevance to this proceeding, none of Mr. Mollard's air travel appears to be necessary given the availability of video conferencing and teleconferencing. UCG also submits that change fees should not be included in the economy airfare allowed per the Scale of Costs. **UCG submits that none of Mr. Mollard's claimed \$3,880.45 in airfare expenses should be recovered from Yukon ratepayers.**

Accommodation

YEC is claiming accommodation costs of \$6,365.54 excluding taxes. The receipts provided by YEC do not make it clear exactly how they determined the costs to be included in their claim.

For instance, Mr. Morrison's receipt for his stay at the Westin Grand in Vancouver in March 2012 seems to indicate charges for 2 nights totalling \$369.96 + \$22.20 HST = \$392.16. UCG does not understand how YEC has determined the \$234.71 included in the cost claim.

UCG notes that Mr. Morrison's expensive taste has resulted in Yukon ratepayers being charged for room fees well in excess of the allowed amounts. For his stays at the Westin Grand in Vancouver during March 2012, Mr. Morrison's stays cost \$207.18 per night. In April 2012, Mr. Morrison's stays cost \$218.75 per night. In July 2012, Mr. Morrison's stays cost \$299.77 per night. The maximum allowable rate in the Public Works and Government Services Canada's 2012 Accommodation List for a stay at the Westin Grand in Vancouver was \$155.00 per night.

Despite the apparent assumed entitlement to an unlimited travel budget, **UCG submits that none of the \$1,751.17 in accommodation costs actually incurred by Mr. Morrison between March and July 2012 should be recovered from Yukon ratepayers.**

Mr. Morrison's stays in Vancouver in August and September 2012 were related to witness training which the YUB has already determined to be unnecessary and hence disallowed. While YEC has included only \$2,672.82 (\$2,545.54 + \$127.28 GST) in its cost claim, Mr. Morrison's actual costs of accommodation for these witness preparation sessions totalled \$2,754.66. **UCG submits that none of Mr. Morrison's accommodation costs of \$2,754.66 during August and September 2012 should be recovered from Yukon ratepayers.**

Mr. Mollard's stays at the Four Seasons hotel (Vancouver) in August 2012 and the Radisson hotel (Winnipeg) in October were related to witness preparation sessions. **UCG submits that the claimed amount of \$882.80 + \$68.85 HST should be disallowed and not recovered from Yukon ratepayers.**

There was no explanation provided regarding why Mr. Mollard had to travel to Vancouver in May, July, October and November related to this application. **UCG submits that the claimed amount of \$1,389.19 + \$164.39 HST should be disallowed and not recovered from Yukon ratepayers.**

Mr. Brandt's stay at the Fairmont Hotel in Vancouver cost \$864.60 for 3 nights (or \$288.20 per night). While the Fairmont is not on the Public Works and Government Services Canada's 2012 Accommodation List, it can be assumed that the allowed rate would not be higher than \$155 per night. While it is unclear how YEC arrived at the claimed amount from the actual cost incurred, **UCG submits that neither the claimed \$385.98 nor the actual \$864.80 cost incurred should be recovered from Yukon ratepayers** since there was no need for application-related discussions would need to be carried out face-to-face with anyone in Vancouver.

Hotel stays identified in YEC's cost claim related to "Mr. Toth" at the Four Seasons hotel in Vancouver in the summer of 2012 totalled \$903.39 according to the cost claim. The only receipts that appear to be related to this claim are in Mr. Mollard's name. **UCG submits that this \$903.39 cost claim should be disallowed from recovery from ratepayers since the September hotel stay was related to a witness training session and there was no reason provided why a face-to-face meeting was required in June 2012.**

Meals and Incidentals

YEC is claiming \$4,801.95 for meals and incidentals.

As a representative of Yukon ratepayers, UCG is absolutely frustrated by the blatant disregard for previous YUB determinations regarding costs allowed to be recovered from ratepayers and

the Scale of Costs which is very clear regarding claims for meals are restricted to the duration of an oral hearing.

UCG submits that not only do YEC's claims for meals and incidentals fly in the face of this direction, none of the provided receipts identify who incurred / paid the cost, how many people were in the party nor if liquor was consumed.

UCG submits that the \$4,801.95 claimed for meals and incidentals should not be recovered from Yukon ratepayers. Any difference between the claimed amount and actual costs incurred should not be recovered in rates either.

Taxi and Parking

YEC is claiming \$286.95 for taxi and \$22.86 for parking.

Again, taxi and parking claims are restricted to an oral hearing per the Scale of Costs. UCG does not see anything in the receipts provided that indicates that this is the case for any of the costs claimed.

UCG submits that the \$309.81 claimed for taxi and parking fees should not be recovered from Yukon ratepayers. Any difference between the claimed amount and actual costs incurred should not be recovered in rates either.

Costs of KPMG Consultants

In response to YUB-YEC-1-58(e) dated July 27, 2012, YEC states that the cost of the depreciation study performed by KPMG was \$84,500. Within its cost claim, YEC has included \$63,333.50 as cost associated with KPMG's work at hourly rates ranging from \$120/hour for support staff to \$270/hour for senior professional staff.

In reality, KPMG charged YEC at rates ranging from \$155/hour for support staff to \$495/hour for senior professional staff plus an administrative fee of 5%.

UCG is concerned that YEC willingly signed off in December 2011 on a service agreement that outlines professional fees that are significantly above the maximum Scale of Costs fees that the YUB has determined are reasonable for recovery from Yukon ratepayers. At that time, the maximum recoverable for consultants was \$225 per hour. Since the majority of KPMG's work occurred prior to the implementation of the new Scale of Costs, UCG submits that the maximum recoverable for senior KPMG staff would be \$225 per hour.

It appears as though KPMG has sent YEC four invoices related to its work:

February 10, 2012	Professional Fees	\$ 45,000.00	
	Administration Fee @ 5%	\$ 2,250.00	
	GST	<u>\$ 2,362.50</u>	
		\$ 49,612.50	
May 17, 2012	Professional Fees	\$ 27,500.00	(\$72,500 - \$45,000 from previous)
	Cost Overruns	\$ 15,533.00	

	Administration Fee @ 5%	\$ 1,375.00	(\$3,625 - \$2,250 from previous)
	GST	<u>\$ 1,443.75</u>	
		\$ 45,851.75	
May 25, 2012	Cost Overruns	\$ 7,776.50	
	GST	<u>\$ 388.83</u>	
		\$ 8,165.33	
August 14, 2012	Professional Fees	\$ 23,140.00	
	Administration Fee @ 5%	\$ 1,157.00	
	GST	<u>\$ 1,214.85</u>	
		\$ 25,511.85	
Grand Total:		<u>\$129,141.43</u>	

While it is unclear exactly how much YEC paid for KPMG's services, this grand total may be lower if not all of the cost overruns were agreed to for payment.

Regardless of whether the total was \$129,141.43 or \$113,608.43 (excluding \$15,533 overrun), this is considerably higher than the \$84,500 total cost identified on July 27, 2012 in the IR response and exponentially higher than the \$63,333.50 included in the cost claim.

Looking simply at YEC's summary of professional fees claim (Form 2), UCG submits that the \$63,333.50 in claimed professional fees should be reduced as follows (including all fees claim for "Senior Staff" and "Staff" which appear to be support functions) such that **\$28,960 is disallowed from recovery through rates from ratepayers:**

Principal	65.0 hours	@ \$45/hour	(claimed \$270 less \$225) =	\$ 2,925.00
Senior Manager	76.0 hours	@ \$40/hour	(claimed \$230 less \$190) =	\$ 3,040.00
Manager	100.5 hours	@ \$30/hour	(claimed \$160 less \$130) =	\$ 3,015.00
Senior Staff	111.0 hours	@ \$160/hour	(all claimed)	= \$ 17,760.00
Staff	18.5 hours	@ \$120/hour	(all claimed)	= <u>\$ 2,220.00</u>
				<u>\$ 28,960.00</u>

The Scale of Costs clearly states that the Board will not consider expense claims that are based upon percentages of the fees claimed. UCG submits that this pertains to all of the "administration fee @ 5%" that has been included in KPMG's invoices. **This amounts to another \$7,383.60 (\$7,032.00 + \$351.60 GST) that obviously must not be recovered from Yukon ratepayers.** It is unclear given the detail provided whether this amount is included in the claimed amount.

The Scale of Costs includes the following regarding details needed with respect to professional fees claimed:

Claims for professional fees must be accompanied by a statement of account that must include the following:

- *The date of activity undertaken;*
- *A description of the activity undertaken with sufficient detail to allow the Board to understand the nature of the activity and how it relates to the issues being advanced by the eligible participant; and*

- *The time incurred with respect to each described service.*

UCG submits that there is detail lacking with respect to the 371 hours of time being claimed by KPMG. There are no specific dates when this activity took place and there are no details of activity undertaken. UCG submits that this makes it impossible to determine if there was duplication of effort by the various individuals involved at KPMG and whether some of these efforts were simply supporting roles that would be captured within the professional fees.

UCG submits that, given the lack of detail provided in the cost claim, none of the fees charged by KPMG should be recoverable from Yukon ratepayers.



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2012 Accommodation List

To view the establishment's information, select the establishment's name in the list below.

Note: All rates are quoted in Canadian Dollar (CAD) unless otherwise indicated.

Accommodation List for Vancouver (Downtown): May (Single Occupancy)

Accommodation	Address	Phone	Rate	Green Leaf Rating	Green Key Rating
Accommodations Within City Rate Limit					
Guest room					
Sandman Hotel Vancouver City Centre	180 West Georgia Street	604-681-2211	109.00	None	
Empire Landmark Hotel & Conference Centre	1400 Robson Street	604-687-0511	110.00	None	None
Sunset Inn & Suites	1111 Burnaby Street	604-688-2474	115.00	None	None
Ramada Inn and Suites Downtown Vancouver	1221 Granville Street	604-685-1111	120.00	None	
Executive Hotel Vintage Park Vancouver	1379 Howe Street	604-688-7678	125.00	None	
Quality Hotel Vancouver - The Inn at False Creek	1335 Howe St.	604-682-0229	129.00	None	
BEST WESTERN PLUS Sands Hotel	1755 Davie Street	604-682-1831	129.00	None	
Ramada Limited Downtown Vancouver	435 W Pender St	604-488-1088	135.00	None	
Days Inn - Vancouver Downtown	921 West Pender Street	604-681-4335	140.00		
Holiday Inn Vancouver Downtown Hotel &	1110 Howe St.	604-684-2151	140.00	None	

Suites					
<u>Coast Plaza Hotel & Suites</u>	1763 Comox Street	604-688-7711	149.00	None	
<u>Coast Coal Harbour Hotel</u>	1180 West Hastings Street	604-697-0202	149.00	None	
<u>Hyatt Regency Vancouver</u>	655 Burrard Street	604-683-1234	155.00	None	
<u>The Westin Grand Vancouver</u>	433 Robson St.	604-602-1999	155.00	None	
<u>The Westin Bayshore, Vancouver</u>	1601 Bayshore Drive	6046823377	157.00		None
<u>Sheraton Vancouver Wall Centre</u>	1088 Burrard Street	604-331-1000	159.00	None	
<u>The Sutton Place Hotel</u>	845 Burrard Street	604-682-5511	159.00	None	
Business Class					
<u>Executive Hotel Vintage Park Vancouver</u>	1379 Howe Street	604-688-7678	135.00	None	
<u>Quality Hotel Vancouver - The Inn at False Creek</u>	1335 Howe St.	604-682-0229	139.00	None	
<u>BEST WESTERN PLUS Sands Hotel</u>	1755 Davie Street	604-682-1831	139.00	None	
<u>Ramada Inn and Suites Downtown Vancouver</u>	1221 Granville Street	604-685-1111	140.00	None	
<u>Sunset Inn & Suites</u>	1111 Burnaby Street	604-688-2474	155.00	None	None
<u>Days Inn - Vancouver Downtown</u>	921 West Pender Street	604-681-4335	165.00		
Bachelor/Studio with kitchen					
<u>Sunset Inn & Suites</u>	1111 Burnaby Street	604-688-2474	135.00	None	None
<u>Rosedale on Robson Suite Hotel</u>	838 Hamilton Street	604-689-8033	154.00	None	
One bedroom suite with kitchen					
<u>Sandman Suites on Davie</u>	1160 Davie Street	604-681-7263	129.00	None	
<u>Sunset Inn & Suites</u>	1111 Burnaby Street	604-688-2474	135.00	None	None

<u>Executive Hotel Vintage Park Vancouver</u>	1379 Howe Street	604-688-7678	150.00	None	
<u>Rosedale on Robson Suite Hotel</u>	838 Hamilton Street	604-689-8033	154.00	None	
<u>Quality Hotel Vancouver - The Inn at False Creek</u>	1335 Howe St.	604-682-0229	159.00	None	
<u>The Sutton Place La Grand Residence</u>	845 Burrard Street	604-682-5511	169.00	None	

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2012 Accommodation List

To view the establishment's information, select the establishment's name in the list below.

Note: All rates are quoted in Canadian Dollar (CAD) unless otherwise indicated.

Accommodation List for Whitehorse: November (Single Occupancy)

Accommodation	Address	Phone	Rate	Green Leaf Rating	Green Key Rating
Accommodations Within City Rate Limit					
Guest room					
SKKY Hotel	91622 Alaska Highway	867-456-2400	115.00	None	None
Westmark Whitehorse Hotel & Conference Centre	201 Wood Street	867-393-9700	119.00	None	None
BEST WESTERN Gold Rush Inn	411 Main St.	867-668-4500	119.00	None	None

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