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FILE NUMBER 84813-00071

May 31, 2007

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

Dear Ms. Lemke:

Re: Yukon Energy Corporation 20 Year Resource Plan 2006-2025 and Power Purchase Agreement Approval - Cost Summary

Attached please find an update of YEC's Resource Plan hearing-related costs as directed by the Board in Order 2007-1. YEC's cost summary was originally provided in our letter dated February 13, 2007 covering all costs recorded by YEC to that point in time. This summary extends the earlier information to include:

- a) costs incurred by YEC related to review and follow-up on the Board's January 15, 2007 report to the Minister, as well as final invoices related to the Resource Plan process.
- b) the costs incurred by YEC during the YUB's review of the Minto PPA.

As YEC was actively engaged in preparing and refileing the "PPA amendment" through May 14, there are expected to be a small amount of costs (largely disbursements) that are not yet recorded in YEC's accounts which will serve to increase the numbers in the attached tables (not expected to exceed \$5,000).

In determining the breakdown between "preparation", "attendance", "argument, reply and follow-up" and "PPA review", Yukon Energy used the following basic organization:

- **Resource Plan Preparation** covers activities from approximately the date of filing (beginning of June 2006) to the start of the "hearing attendance phase".
- **Resource Plan Hearing Attendance** covers the immediate pre-hearing period and the hearing itself, preparation of undertakings and review of transcripts, etc. from approximately November 12-18.

- **Resource Plan Argument, Reply and Follow-up** covers all activities from the “hearing attendance phase” forward through receipt and review of the Board’s report, including preparation of the Minto Term Sheet filing on December 21, 2006 and related submissions.
- **PPA Review** covers all activity related to preparation of the Minto PPA submission and the related proceeding. It does not include the costs to negotiate and draft the PPA with Minto. These activities cover a short period with no public hearing, so have not been broken down as for the Resource Plan proper.

For clarification, in the attached summary, PowerComp Associates is Dr. Roy Billinton who was YEC’s expert capacity planning witness, Vancouver Computer Drafting Services is Mac Brodie, an electrical engineer with over 40 year experience who acted as a senior advisor to YEC in respect of the Resource Plan (see Resource Plan Hearing transcript page 534 line 21 to page 535 line 8). InterGroup Consultants Ltd covers the participation of Cam Osler, Patrick Bowman and Roberta Connon, each of whom was in attendance at the Resource Plan hearing, as well as related analyst and support time.

YEC notes that the attached summary does not include costs incurred as part of the recent Part III proceedings.

Pursuant to established practice in the Yukon, YEC will defer and amortize the hearing costs of the Resource Plan and PPA Approval hearing over 5 years starting in 2007. This will include all costs incurred by the YUB and intervenors that YEC is directed by the YUB to pay.

If you have any question please do not hesitate to call.

Yours truly,

DAVIS LLP

Per:



P. John Landry

PJL/sas

Encl.