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Your File No.:
Our File No.: 71310-0018

May 11, 2012

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Bruce McLennan, Chair

Dear Sir:

Re: 2012/13 YEC Phase I General Rate Application and Application for Interim Rates for 2012

We are writing on behalf of the City of Whitehorse (the "City") with respect to the above-noted matters and with respect to the Yukon Utilities Board ("YUB" or the "Board") Order 2012-03 dated May 4, 2012. The City requests to be registered as an intervener in the proceeding established in Board Order 2012-03.

The City has yet to determine the scope of its participation in this proceeding based, at least in part, on the uncertainty surrounding its ability to recover costs associated with participating in proceedings before this Board.

First, the City is unaware if the review of the YUB's scale of costs and rules (conducted in the winter of 2011) has or will be resulting in any revisions or updating to the YUB's scale of costs and rules. If the YUB's scale of costs and rules are to be updated, the City would like to know if this will have any impact on cost recovery in the current proceeding.

Second, in Board Order 2011-08, the Board disallowed the recovery of airfare costs incurred by one of its consultants, Mr. Gregory Garbutt, to attend the pre-hearing workshop related to the YEC / YECL joint Phase II 2009 Application. The City notes that, as in the YEC / YECL joint Phase II 2009 Application, a pre-hearing workshop has been scheduled with respect to the above-noted matter as part of the process schedule for this proceeding. The City would like direction from the Board as to whether the pre-hearing workshop is something for which it can recover costs and disbursements including, for example, the costs of one of its consultants travelling to the workshop in Whitehorse.

Third, the writer's hourly rate, which was previously \$175 per hour, has now increased to \$200 per hour (save for with respect to work on utility-related matters before both the Alberta Utilities Commission and the Northwest Territories Public Utilities Board, in which case the writer's hourly rate is \$240 per hour). Given that in 2010, the City was only allowed to recover a rate of \$130 per hour for the writer's services (despite the applicable hourly rate of \$175), the City would like some direction from the Board as to whether the hourly rate of \$200 per hour (nearly two years since the City's last cost claim) would be fully recoverable. The City notes that this rate remains below the maximum prescribed for legal counsel in the Board's 1995 scale of costs.

The City respectfully requests that the Board provide clarification and direction on the above-noted issues at its earliest convenience.

Finally, the City would like to be registered in any proceeding established by this Board with respect to YEC's interim rate application. In the City's submission, this application should be denied or, alternatively, YEC should only be allowed to collect a percentage of the proposed 6.4% increase for 2012 absent a hearing to review the revenue requirement dictating such an increase. In the City's submission, interim, refundable rates should not allow a utility to recover 100% of its forecast revenue requirement (including contentious items) absent testing and approval of this forecast by the regulator.

Please contact the writer with any questions or concerns.

Yours truly,

BROWNLEE LLP

PER:



KRISTIANA E. KELLGREN