



**YUKON ENERGY
CORPORATION**
P.O. Box 5920
WHITEHORSE
YUKON Y1A 6S7
(867) 393-5300

June 27, 2016

Yukon Utilities Board
Box 31728
Whitehorse, YT Y1A 6L3

Attention: Mr. Bob Laking, Chair

Dear Sir:

**Re: ATCO Electric Yukon (AEY) 2016-2017 General Rate Application
UCG Retention of PEG**

In correspondence to the Board dated June 17, 2016, the Utilities Consumers Group (UCG) has indicated that it has contacted Pacific Economics Group (PEG) regarding the possibility of retaining their services to provide evidence related to benchmarking of costs and productivity of ATCO Electric Yukon (AEY). UCG notes that a series of interrogatories and past history data will be necessary to determine if a benchmarking is possible, comparing AEY with similar sized companies in Canada.

UCG outlines the following requests related to such PEG services for consideration by the Board:

- **Intervenor Funding:** UCG requests that the Board provide a “letter of comfort” that “the YUB will entertain this new experience and forward regulatory thinking offered to most other jurisdictions.”
- **Schedule:** UCG requests the need to alter the schedule to provide time for PEG to analyze and prepare evidence after the receipt of information requests from AEY (currently scheduled to be provided August 9, 2016).

Overall, Yukon Energy is concerned that both of the UCG’s requests are unclear, and that UCG has not provided sufficient information to understand the overall impacts of these requests on the hearing outcomes, schedule and costs.

The following specific concerns are noted with the above-noted requests:

1. First, UCG’s request for a “letter of comfort” is unclear in terms of purpose and content. Given UCG’s reference to insufficient funds to retain PEG, it appears that UCG is seeking some assurance from the Board regarding approval of its costs (which are not specified) to retain PEG to provide benchmarking evidence (which at this time offers unknown value to the proceeding). This essentially amounts to a request for a “blank cheque” approval of intervenor costs without demonstrating that such costs are reasonable and prudent. Yukon Energy is not aware of any precedent for the Board to support such a request.

2. Second, Yukon Energy is not aware of any precedent in Yukon for Board approval of intervenor funding prior to the commencement of a regulatory proceeding. In fact, the Board's Scale of Costs specifically contemplates applications for costs occurring only after issuance of a Board decision in a proceeding, and notes the onus is on the applicant to provide sufficient information for the Board to effectively assess its cost claim. Such cost claims are accompanied by an affidavit of fees and expenses claimed and include forms outlining the total professional fees and disbursements claimed as well as a justification regarding the following:
 - a. How the costs were reasonable, prudent, and directly and necessarily related to the proceeding; and
 - b. How the participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Board.

In this case information is not available that would allow the Board to understand the scope of evidence to be provided, whether it will be relevant to the issues to be adjudicated in this proceeding; and whether it will actually assist the Board in its deliberations. This can only be determined after the evidence has been filed and tested as part of the proceeding. There is no guarantee today that benchmarking information provided by PEG would inform the proceeding or contribute to the Board's understanding of the AEY application.

3. Third, the request to fund additional evidence and extend the schedule of the proceeding (for an undefined time period) would likely add costs to a process that is already expensive. These costs would be borne by ratepayers without providing any assurance that any value would be added.

In summary, UCG's requests are ill-defined and unprecedented in Yukon. If the Board is concerned about benchmarking or comparability it may be more efficient to direct the utility to conduct a study and present results in a future proceeding, similar to the direction provided to YEC regarding its brushing policy in order 2009-08.

Sincerely,



Ed Mollard
Chief Financial Officer