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UTILITIES CONSUMERS' GROUP  
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Whitehorse, Yukon Y1A 4A2  
Ph./Fax: 633-5210

April 13, 2007

Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon  
Y1A 6L3

Attention: Deane Lemke, Board Secretary

YUKON UTILITIES BOARD		
EXHIBIT C2-1		
DAY	ENTERED BY	DATE
	UCG	Apr 13/07

**Re: UCG Request for Intervener Status**

Dear Deana:

1. Pursuant to Board Order 2007-4, the Utilities Consumers' Group would like to apply for intervener status to hear Yukon Energy's application for an Energy Project Certificate and an Energy Operation Certificate regarding the Proposed Carmacks-Stewart Transmission Line.
  - 1) UCG intends to pursue all issues directed by the Minister of Justice in her 2 April 2007 letter to the Board. This includes all issues listed in the above Board Order sub-letters J and K.
  - 2) UCG also intends to hire utility professionals, both legal counsel, Michael Buonaguro and two consultants, Pat McMahon and Roger Rondeau. The Board has on record the qualifications of each of these professionals. Each of these professionals is needed as a continuation of the previous processes to properly research and assess the Yukon Energy application, cross-examine the YEC panel on all issues so mentioned above and present submissions and argument that will be helpful to the Board in making their determination for the public interest. As all of these professionals have been involved in the two prior processes, their understanding will help cut time and costs for this hearing.
  - 3) UCG expects that all the additional evidence it requires will be submitted as part of the information request process. Since YEC will only have a week to process the IRs, I would like to indicate that one specific issue of interest is the benchmark of construction costs for this type of facility in other jurisdictions.
  - 4) In the Terms of Reference for this proceeding, the Minister of Justice has

approach proposed by YEC

- that the lack of an evidentiary record in this proceeding will require an extensive information request process. If YEC is relying on evidence on the record of the reviews of the 20-year Resource Plan and the Power Purchase Agreement reviews, then this will require interested parties to review these records and request additional detail and clarification. This will take more time than has been provided under Board Order 2007-4. Likewise, it will most likely take YEC longer than a week to thoroughly respond to these information requests.

7)The UCG requests that the Board consider requesting an extension of the report deadline from the Minister until June 29, 2007 to allow for a more robust information request and response process.

8)As the Board is aware, the UCG has endeavored to raise the quality and usefulness of its interventions in the reviews of the 20-year Resource Plan and the Power Purchase Agreement by hiring legal and utility consultants with extensive expertise in regulatory and utility matters. The review of the 20-Year Resource Plan started in June 2006 with the Notice of Application. It was shortly after this Notice that the UCG requested the help of these industry experts. While the UCG submitted its request for a cost award in February 2007, the Board determined in Board Order 2007-1 that the review of the proposed Power Purchase Agreement with Minto would be considered part of the Resource Plan review process. As a result, the Board deferred consideration of any cost awards until completion of the PPA review.

9)The UCG is relying on full cost awards for its legal and utility consultants to ensure that it can continue to enlist the assistance that UCG requires for these regulatory proceedings. It has now been nearly 10 months since the UCG's consultants have been incurring costs without reimbursement. The UCG is concerned that it may not be able to convince this expert advise to continue to participate in Yukon-based proceedings without some indication that they will be reimbursed their full costs of participation at the applied-for rates. Both the legal and utility consultants have prior commitments within the timelier for the proposed Part 3 review; asking either to extend their resources to accommodate the UCG in the context of the Part 3 review, particularly within the proposed compressed schedule, without an indication as to the prospect of recovering their costs seems to the UCG, which is not in a position to independently fund these professionals, unfair. Without any firm indication of cost awards, the UCG may find itself in the position of not being able to fully participate in the Part 3 Process. This, we submit, will not be in the best public interest as it appears there likely will not be any other ratepayer group participating in this proceeding.

10)The UCG therefore respectfully requests that the Board consider expediting the cost award process for the reviews of the 20-Year Resource Plan (for which the Board has received all the necessary applications) and the PPA(yet to

be applied). With a decision confirming the recovery the UCG's legal and utility consultants can expect for their participation on the UCG's behalf, they will be able to more fairly determine whether they can responsibly extend their respective resources on behalf of the UCG in the Part 3 process. To the UCG's understanding there is no comparable precedent, at least in the recent past, where a public interest intervenor has made extensive use of external legal and consultant services to assist in its intervention, such that there would be a prior decision of the Board on cost recovery for the UCG to rely on.

11)UCG requests that the Board direct that all submissions for the Part 3 Review be provided in searchable PDF or WORD format to allow for efficient use and quicker turnaround.

12)Should you have any questions, please do not hesitate to contact me.

13)UCG also requests an expedited response to our concerns.

Yours truly,

Roger Rondeau  
President, Utilities Consumers' Group

c.c. All parties

asked that the Board to "endeavor to submit its report and recommendations to the Minister of Justice by April 30, 2007, but in any event shall do so by no later than May 31, 2007". The UCG submits that the May 31, 2007 deadline and the procedural schedule identified in Board Order 2007-4 will not allow the Board to satisfy the other Terms of Reference.

5) The UCG submits:

- that there is almost no information on the record of this proceeding to test the implications of the relationship between Stage One of the CSTP and the need for and timing of Stage Two of the CSTP. Without knowing anything except high level costs of Stage Two, it is difficult to adequately identify and test its implications. Therefore, UCG will request considerable more detail on the proposed Stage 2 of the transmission line project in order to evaluate the implications of the relationship between Stage One of the CSTP and the need for and timing of Stage Two of the CSTP. **UCG was of the understanding that the Stage Two was to undergo a separate application process under Part 3 when the YEC was prepared to advance this project and question why it is taking place now making this process much more complex.**
- that there is no evidence currently on the record for this proceeding which would allow for a thorough review of the public need for the project under various reasonable electric load forecasts, including requirements related to both the Minto Mine and to other potential major industrial customers. YEC's application refers to information that had been submitted during the review of its 20-year Resource Plan but that information was submitted as part of a strategic review rather than a specific project review. It is the UCG's intention to submit information requests for various impact analyses using various load forecasts.
- that there is very limited information currently on the record of this proceeding to allow a proper testing of the feasibility of the proposed third turbine at Aishihik. Without details of this project and alternatives available, UCG submits that it will be difficult to adequately test the implications of the relationship between Stage One of the CSTP and the need for and timing of the Aishihik third turbine.
- that there needs to be extensive review of the of the ongoing use of diesel generation at Minto and other locations that could receive grid service from Stage One of the CSTP before the Board could provide its report to the Minister. At this point, the evidentiary record of this proceeding is lacking in this detail.
- that a proper testing of alternatives to the CSTP proposal will require more efforts by YEC to test load assumptions submitted by interested parties and alternative configurations for the timing and structure of the two-stage

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Y1A 6L3

Attention: Deane Lemke, Board Secretary

**Re: Yukon Energy Corporation Application for an Energy Certificate and an  
Energy Operation Certificate  
regarding the Carmacks-Stewart Transmission Line --UCG Retainer Letter**

Dear Deana:

Further to the Board's Rules of Practice, the purpose of this letter is to advise the Board that the Utilities Consumers' Group has retained the services of two professional consultants, as the Board has previously been informed in our intervener application letter: Pat McMahon and Roger Rondeau as per services agreement attached.

UCG is also preparing to retain legal counsel from PIAC, specifically Michael Buonaguro. At the moment there appears to be a conflicting time-line commitment. We will advise the Board ASAP.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Roger Rondeau  
President, Utilities Consumers' Group

C.c. All parties

**Consultant Services Agreement  
Between  
Utilities Consumers' Group (the "Receiver")  
And  
Roger Rondeau (the "Provider")**

Provider shall provide consultation services to the Receiver with respect to the Yukon Energy Corporation's Application for an Energy Project Certificate and an Energy Operation Certificate regarding the Proposed Carmacks-Stewart Transmission Project including:

- Prepare initial stages of UCG intervention and retaining of professionals;
- Review of YEC's application and related preliminary material;
- Developing information requests related to the issues to be addressed;
- Review and comments (as requested) on any material issued by the UCG;
- Preparation for cross-examination process at regulatory consultations / hearings;
- Assistance and local representation at oral hearing;
- Preparation of oral final arguments / reply arguments; and
- Other services as requested pertaining to the regulatory review process.

**A) FEES and CHARGES**

The charges assessed for the services listed above will be based on hours worked and disbursement expenses. Services will be charged at a rate of \$55.00 per hour. Disbursement expenses will be charged as incurred.

**A) APPROVAL**

It is hereby acknowledged that Receiver has requested and Provider has agreed to deliver the services detailed in this Services Agreement.

**Roger Rondeau**

**Utilities Consumers' Group**

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Per: \_\_\_\_\_

Date: April 10, 2007

Print Name:: \_\_\_\_\_

Title: \_\_\_\_\_

Date: April 10, 2007

**Consultant Services Agreement  
Between  
Utilities Consumers' Group (the "Receiver")  
And  
Patrick McMahon (the "Provider")**

Provider shall provide consultation services to the Receiver with respect to the Yukon Energy Corporation's Application for an Energy Project Certificate and an Energy Operation Certificate regarding the Proposed Carmacks-Stewart Transmission Project including:

- 1 Reviw of YEC's application and related preliminary material.
- 2 Developing information requests related to the issues to be addressed.
- 3 Review and comments (as requested) on any material issued by the UCG.
- 4 Other services as requested pertaining to the regulatory review process.
- 5 Attendance at regulatory consultations / hearings as required.
- 6 Preparation of oral final arguments / reply arguments.

**A) FEES and CHARGES**

The charges assessed for the services listed above will be based on hours worked and disbursement expenses. Services will be charged at a rate of \$110.00 per hour. Disbursement expenses will be charged as incurred.

**A) APPROVAL**

It is hereby acknowledged that Receiver has requested and Provider has agreed to deliver the services detailed in this Services Agreement.

**Patrick McMahon**

**Utilities Consumers' Group**

\_\_\_\_\_

Per: \_\_\_\_\_

Date: April 10, 2007

Print Name:: \_\_\_\_\_

Title: \_\_\_\_\_

Date: April 10, 2007