

UTILITIES CONSUMERS' GROUP
Box 9300
29 Wann Road
Whitehorse, Yukon Y1A 4A2
email: rondaue@northwestel.net

January 18, 2019

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Attention: Mr. Robert Laking, Chair

**Re: Yukon Energy Corporation
2017-2018 General Rates Application – Phase 1
UCG Cost Claim**

Dear Mr. Laking:

Enclosed for the review of the Board are the costs claimed by the Utilities Consumers' Group ("UCG") for reimbursement resulting from the regulatory review of Yukon Energy Corporation's 2017 / 2018 General Rates Application.

UCG's cost claim consists of the following documents:

- a) Form 1 - Summary of total costs claimed;
- b) Form 2 - Summary of professional fees claimed by Mr. McMahon and Mr. Rondeau;
- c) Form 3 - Summary of disbursements claimed;
- d) Form 4 - Affidavit of fees and expenses claimed; and
- e) an invoice detailing the time claimed for Mr. McMahon;

UCG's intentions to use the services of Mr. McMahon in this proceeding were outlined in UCG's letter dated July 19, 2017. To our knowledge, no party raised an issue with respect to the proposal throughout the course of the proceeding.

Mr. McMahon supported the intervention of a legitimately constituted ratepayer group by providing extensive consulting services without the assistance of legal counsel which UCG was unable to acquire for this proceeding. UCG respectfully submits that Mr. McMahon provided his services in a manner and with the expertise that assisted in the quality and efficiency of the proceeding as a whole, and assisted UCG in making valuable and comprehensive submissions from the perspective of the ratepayers that UCG represents.

With the retainer of Mr. McMahon, UCG's need for a skilled consultant to assist and ultimately take the lead in preparing UCG's filings within this proceeding was filled with someone with not only the relevant general and specific knowledge of the industry, but also an extensive background in the history of the Yukon energy sector in particular.

With respect to Mr. McMahon's claimed hourly fee of \$225 per hour, UCG submits that this rate is well below the maximum rate allowed within the YUB's Scale of Costs for a consultant with Mr. McMahon's experience and expertise (\$270 per hour). The hourly rate is higher than the rate allowed by the YUB for work performed by Mr. McMahon between November 2017 and January 2018 related to YEC's Power Purchase Agreement with Victoria Gold (\$160) but the requested hourly rate is justified based on the complexity of the issues addressed in the current proceeding and the need for Mr. McMahon to

take on a significant role without the assistance of legal counsel. In its cost claim decision related to YEC's 2012/2013 GRA, the YUB discounted Mr. McMahon's hours because of the presence of legal counsel. This was not the case for the current proceeding and we ask that all of Mr. McMahon's claimed hours be regarded as a fair and reasonable representation of the services he provided to UCG throughout this proceeding.

While the YUB's cost claim decision on the Victoria Gold PPA proceeding discounted the added consultant experience Mr. McMahon has gained over time and the added expertise he has gained being a member of the Board of Directors and audit sub-committee of an electricity distributor in Ontario, a member of the Board of Governors of a college in Ontario, and his added responsibilities in the regulatory issues being addressed in the natural gas and electricity industries in Ontario including being a member of the Ontario Energy Board's Regulatory Affairs Steering Committee, UCG submits that Mr. McMahon's broadened scope of experience and references has benefited UCG tremendously in this current proceeding by allowing us to rely completely on Mr. McMahon's consultant advice, research capabilities and material preparation with respect to the expanded list of issues that needed to be addressed.

UCG also notes the extra time claimed with respect to preparing the final argument submitted by UCG in this proceeding. Extra effort by Mr. McMahon and Mr. Rondeau was required in order to prepare the most comprehensive argument possible to assist the YUB in its deliberations. Extra effort was needed to ensure that all issues were addressed and that references to evidence, etc. were identified to allow for a more efficient review by the YUB. As was expected, this extra effort required additional time which we hope the YUB will find not only helpful but also worthy of acceptance from a cost claim perspective.

It is also important to note that Mr. McMahon has continued to offer his services to UCG knowing that the YUB has reduced his allowed cost claim in every single proceeding for which his services have been needed. While UCG disagrees with the reductions that have been made in its cost claims, it is important to note that Mr. McMahon does not hold UCG liable for the disallowed costs. UCG submits that the same cannot be said for consultant and legal services acquired by YEC and AEY for which the consultants and lawyers require payment in full for their regulatory work no matter what the YUB allows to be recovered from ratepayers. UCG submits that there are very few consultants like Mr. McMahon that are willing to only recover costs allowed by the YUB and it would be difficult, if not impossible, to acquire the same level of consultant services provided by Mr. McMahon from other consultants under these conditions. The YUB's continued denial of parts of Mr. McMahon's costs claims is most likely going to contribute to making it more difficult to acquire the consultant services needed by UCG going forward.

UCG submits a claim for Mr. Rondeau for his efforts representing UCG during preparation for, attendance at and participation in the oral hearing process, including cross examination of all the panels on behalf of UCG, as well as the argument phase of this proceeding. Mr. Rondeau provided ongoing assistance during this process on UCG positions and directed the UCG intervention at all stages of the YEC 2017/2018 Rate Application.

Besides the honorarium claimed for Mr. Rondeau's for attendance at the June 2018 oral hearing, UCG is submitting 8 hours of preparation time for Mr. Rondeau related to the effort he put into reviewing drafts on behalf of UCG of material prepared by Mr. McMahon to ensure that UCG's positions and directions were clearly reflected in what was submitted to the YUB. Mr. Rondeau is also submitting 4 hours for time spent assisting with the development of final arguments. From UCG's perspective, Mr. Rondeau's time in this regard was vital in order to ensure that all areas of UCG's interests were addressed.

UCG submits that the scope of issues in this proceeding was extensive and the amount of evidence and updates provided by YEC through various means required numerous hours of work to ensure that arguments forwarded to the YUB were comprehensive and relevant. UCG submits that the costs incurred by UCG were reasonable and were directly and necessarily related to UCG's effective participation in this regulatory review. UCG submits it acted responsibly and contributed to a better understanding of the issues to be decided by the Board. While the Board did not accept all of the arguments made by UCG nor did it address all of the issues raised by UCG, the submissions by UCG throughout this long process contributed to a professional discussion on all matters that need to be addressed from a consumer advocate perspective.

We ask that all cost claim amounts approved for Mr. McMahon be made payable to him and sent to his attention at:

Patrick McMahon
5 Morning Glory Lane
Chatham, Ontario N7L 5R5

If there are any questions concerning the contents of this submission, I would ask that they be directed to me by email at rroudeau@northwestel.net or by phone at 633-5210.

Yours truly,

Roger Rondeau
Utilities Consumers' Group

cc (by email): Yukon Energy Corporation

Yukon Utilities Board

Summary of Total Costs Claimed

Form 1 - Page 1 of 1

Date <u>January 18, 2019</u>	Total Fees	Total Disbursements	GST	Total Fees, Disbursements, & HST
			Total GST on Fees & Disbursements	
Firm/Company Name Patrick McMahon (PaTina Energy Consultants)	\$37,125.00		\$1,856.25	\$38,981.25
Firm/Company Name Roger Rondeau	\$920.00			\$920.00
Firm/Company Name				\$0.00
TOTAL COSTS CLAIMED	\$38,045.00	\$0.00	\$1,856.25	\$39,901.25

Claimant Utilities Consumers' Group
 Agent/Representative Roger Rondeau
 Address Box 9300, 29 Wann Road, Whitehorse, Yukon Y1A 4A2
 Phone 633-5210 Fax _____
 E-mail rondeau@northwestel.net

Applicant(s) Yukon Energy Corporation
 Application(s) No. _____
 Hearing 2017/2018 General Rates Application (Phase 1)

Yukon Utilities Board

Summary of Professional Fees Claimed

Form 2 - Page 1 of 1

Date January 18, 2019

PROFESSIONAL FEES											GST	Total
FIRM/COMPANY NAME	Years of Experience	Hourly Wage	Preparation and IRs		Attendance		Argument & Reply		Total Fees		Total GST on Professional Fees	Total Fees & GST
			Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees		
FIRM/COMPANY NAME <u>PaTina Energy Consultants</u>												
Individual Name												
Patrick McMahon	37.0	\$225.00	114.00	\$25,650.00		\$0.00	51.00	\$11,475.00	165.00	\$37,125.00	\$1,856.25	\$38,981.25
FIRM/COMPANY NAME <u>Utilities Consumers' Group</u>												
Individual Name												
Roger Rondeau		\$60.00	8.00	\$480.00	4 half days	\$200.00	4.00	\$240.00	12.00	\$920.00		\$920.00
Individual Name												
				\$0.00		\$0.00		\$0.00	0.00	\$0.00		\$0.00
Total This Company			122.00	\$26,130.00	0.00	\$200.00	55.00	\$11,715.00	177.00	\$38,045.00	\$1,856.25	\$39,901.25

Claimant Utilities Consumers' Group
 Hearing 2017/2018 General Rates Application (Phase 1)

Applicant(s) Yukon Energy Corporation
 Application(s) No. _____

YUKON UTILITIES BOARD

Summary of Disbursements Claimed

Form 3 - Page 1 of 1

Date January 18, 2019

Disbursements Claimed (exclusive of GST)	Name of Claimant	Name of Claimant	Name of Claimant	Name of Claimant	Total Disbursements
Airfare	\$0.00				\$0.00
Accommodation	\$0.00				\$0.00
Meals (maximum at GY rates)	\$0.00				\$0.00
Mileage (maximum at GY rates)					\$0.00
Taxi	\$0.00				\$0.00
Parking					\$0.00
Care rental					\$0.00
Transcripts					\$0.00
Postage					\$0.00
Courier/delivery					\$0.00
Telephone/long distance					\$0.00
Fax (\$1.00/page)					\$0.00
Internal photocopying (\$.10/copy)	\$0.00				\$0.00
External printing					\$0.00
Miscellaneous (please attach details)					\$0.00
Miscellaneous (please attach details)					\$0.00
Miscellaneous (please attach details)					\$0.00
Miscellaneous (please attach details)					\$0.00
TOTAL DISBURSEMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total GST/HST on Disbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Claimant Utilities Consumers' Group

Applicant(s) Yukon Energy Corporation
2017/2018 General Rates Application (Phase 1)

Yukon Utilities Board

Affidavit of Fees and Disbursements Form 4

Affidavit of fees and disbursements claimed in the matter of a claim for costs made by
_____ **for participation in a proceeding before the**
Yukon Utilities Board with respect to the following Application: _____

I, _____, of the (city/town) of _____ and the Territory/Province of _____,

MAKE OATH (OR AFFIRM) AND SAY THAT:

1) I am the _____ of the cost claimant _____ (the "Claimant") and as such have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, and where so stated, I do verily believe to be true.

2) The Claimant was an (applicant/intervener) in a proceeding (the "Proceeding") before the Board with respect to the above application(s).

3) The Claimant incurred fees and disbursements (exclusive of GST) in the amount of \$ _____ as a result of its participation in the Proceeding. Additionally, the Claimant incurred GST on the above fees and disbursements in the amount of \$ _____.

4) I have personally reviewed the accounts of the Claimant's [lawyer(s), consultant(s), witness(s)], including the supporting documentation as required by the *Scale of Costs*, and confirm that these accounts represent work performed at the specific request of the Claimant.

5) I have personally reviewed all receipts, invoices, or accounts for transcripts, airfare, or accommodation and confirm that they represent disbursements incurred at the specific request of the Claimant.

6) I confirm that the fees and disbursements claimed on behalf of the Claimant's lawyer(s), expert(s), or consultant(s) are reasonable and in accordance with the *Scale of Costs*.

7) (If necessary) The fees claimed on behalf of _____ are in excess of the *Scale of Costs*. However, I believe that the Claimant should be entitled to recover such costs because: _____

8) To the best of my knowledge and belief, the fees and disbursements claimed by the Claimant represent fees and disbursements incurred necessarily and reasonably for the purpose of the Proceeding.

9) (If necessary) The Claimant is entitled to a rebate in connection with the Federal Goods and Services Tax to the extent of ____%. The Claimant's GST number is _____.

SWORN (OR AFFIRMED) before me at the (City/Town, etc.) of _____, in the Province/Territory of _____ on (date) _____.

Notary Public or Commissioner of Oaths

Signature of Affiant

PaTina Energy Consultants

5 Morning Glory Lane
Chatham, Ontario, N7L 5R5

Phone: (519) 354-8486 / (519) 437-0759

E-mail: stefsdad99@gmail.com

GST/HST Registration Number 85037 7359 RT0001

COST CLAIM STATEMENT

Consultant Services to Utilities Consumers' Group by Patrick McMahon

Yukon Utilities Board Proceeding: Yukon Energy Corporation – 2017-2018 General Rates Application – Phase I

- Preliminary discussions with UCG, preliminary review of the application of YEC, identification / explanation of UCG issues, consultation on procedural issues including requested interim rates; preparation of intervention and submission on interim rates; determination of clarifications needed on implementation of Board Orders. (McMahon – 6.5 hours)
- Detailed review of application of YEC; preparation for and WebEx attendance at YECSIM information sessions; development of information requests related to the issues to be addressed; detailed review of responses to information requests by YEC and City of Whitehorse; preparation of motion on inadequate IR responses; consultation on IR-related procedural issues. (McMahon – 77.5 hours)
- Research on and preparation of cross-examination questions and related materials for public hearing. (McMahon – 22.5 hours)
- Research and support during hearing. (McMahon – 7.5 hours)
- Preparation of UCG's final argument. (McMahon – 30.5 hours)
- Preparation of UCG's reply argument. (McMahon – 20.5 hours)

Total Hours:	165.00
Hourly Rate:	\$225.00
Total Fees Claimed:	\$37,125.00
GST (5%):	\$ 1,856.25
Total Claim:	\$38,981.25

Details of the time logged by Mr. McMahon in this proceeding are attached as Schedule A. Summary details of Mr. McMahon's efforts in specific areas are outlined below.

1. Preparation for intervention, submission on interim rates and issues background

Mr. McMahon provided UCG with background research on issues raised within the application that were specifically identified by UCG and identified by Mr. McMahon based on his experience. These discussions helped explain how issues have been addressed in other jurisdictions and how they needed to be addressed by UCG in the Yukon and in this specific proceeding. Mr. McMahon prepared UCG's intervention document and submissions related to interim rates.

2. Review of evidence and preparation of information requests

On August 25, 2017, UCG submitted 44 multi-part information requests covering a full range of issues raised in the YEC application. In preparation for this submission, Mr. McMahon reviewed the pre-filed evidence, material put on record at previous Board reviews of YEC operations, and conducted research on specific issue treatment in the Yukon and other jurisdictions. Mr. McMahon identified requests for information in numerous issue areas including customer bill impact and mitigation, business cases for major capital projects and initiatives, O&M expenses, depreciation expense, cost of capital and capital structure, and demand side management. Mr. McMahon drafted and finalized the information requests submitted on behalf of UCG.

3. Detailed review of IR responses and motion for more complete responses

YEC filed over 1500 pages of responses to information requests submitted to it by the Board and intervenors. Reviewing this material in conjunction with the evidentiary record required a lot of time to ensure that responses were complete and adequately responded to the questions asked. Mr. McMahon used this review to formulate issues that still needed to be addressed (requiring a Motion for more complete responses) as well as during cross-examination at the oral hearing.

4. Preparation of cross-examination materials / questions for hearing

Besides a thorough review of the evidentiary record, preparation of cross-examination materials for the hearing required extensive discussion and exchanges between UCG and Mr. McMahon. Mr. McMahon devoted considerable time to providing input into developing issue positions, identifying references to material and drafting questions for YEC and City of Whitehorse witnesses. Mr. McMahon was called upon to respond to clarification and positioning questions from UCG regarding specific issues that were raised during the hearing and for which UCG did not have access to legal counsel.

5. Support during hearing

During the oral hearing, Mr. McMahon made himself available prior to and after each hearing day to clarify positions on various issues discussed at the hearing and to provide UCG with clarification of the history behind many of the issues being discussed to assist with the formulation of final arguments. Mr. McMahon was asked to research specific statements and issues that arose during the hearing. He provided material related to past YUB decisions as well as his experience in the utility industry and the Yukon energy arena.

6. Preparation of final argument

Development of UCG's final argument required the reading of over 700 pages of transcript from the hearing as well as the thousands of pages of evidence put on the record by YEC and the City of Whitehorse through pre-filed evidence and responses to information requests and undertakings. Mr. McMahon developed the draft final argument. The process for developing the final argument was an iterative one over several days involving Mr. McMahon and Mr. Rondeau with each party offering suggestions on positions and edits to make from their own backgrounds. Mr. McMahon was responsible for developing the draft final argument positions as well as the final product submitted to the YUB.

7. Preparation of reply argument

Like the development of final argument, UCG's reply argument to the arguments submitted by other parties was an iterative process involving Mr. McMahon and Mr. Rondeau. Mr. McMahon developed a draft reply argument that ultimately focussed on the arguments submitted by YEC, AEY, the City of Whitehorse and John Maissan. Mr. McMahon and Mr. Rondeau exchanged several emails to develop UCG's reply argument into a series of specific comments on a number of conclusions in the order that they appear within the final arguments. Mr. McMahon was responsible for developing the final reply argument submitted to the YUB.

Schedule A

Additional detail to explain functions performed by Patrick McMahon (*PaTina Energy Consultants*)

July 12 - 19, 2017 (6.5 hours)

- Consultation with UCG regarding UCG expectations for proceeding, review of YEC application and previous GRA regulatory proceedings, research on issues identified by UCG, preparation and finalization of intervention and submission on proposed interim rates

August 3, 2017 (3.0 hours)

- Preparation for and WebEx attendance at YECSIM information session

August 6 – 30, 2017 (31.0 hours)

- Review of application, correspondence / discussion with UCG re: issues to address in IRs, potential evidence, specific issues for argument (5.0 hours)
- Complete research, correspondence / discussion with UCG, preparation of draft IRs on YEC evidence (7.5 hours)
- Correspondence / discussion with UCG, preparation and revisions of draft IRs on YEC evidence and cross-reference documentation, preparation of final IRs and cover letter for submission; identification of corrections required to submitted IRs (15.5 hours)
- Review / consideration of IRs submitted by other parties; discussion with UCG on potential submission of evidence (3.0 hours)

September 22 – 28, 2017 (20.0 hours)

- Review IR responses from YEC for completeness and identification of hearing issues (6.5 hours); prepare Motion regarding inadequacy of YEC IR responses; revisions and finalization of Motion regarding YEC IR responses (10.0 hours)
- Discussion with UCG of Court of Appeal decision; preparation of drafts and final submission to YUB on Court of Appeal decision (3.5 hours)

October 11 - 13, 2017 (6.5 hours)

- Review YEC correspondence and other correspondence re: Motion on inadequacy of YEC's IR responses; prepare draft reply submission, revise and finalize submission after correspondence / discussion with UCG

February 12, 2018 (2.5 hours)

- Preparation for and WebEx attendance at YECSIM information session

March 9 - 16, 2018 (7.0 hours)

- Correspondence / discussion with UCG re: supplemental GRA and YECSIM IRs; draft and finalize supplemental IRs

April 20 – May 4, 2018 (7.5 hours)

- Review City of Whitehorse evidence, correspondence / discussion with UCG re: issues to address in IRs, preparation of and revisions to draft IRs on City of Whitehorse evidence; preparation of final IRs and cover letter for submission

June 4 – 28, 2018 (30.0 hours)

- Review evidentiary record, prepare cross-examination questions; correspondence / discussion with UCG re: cross-examination, argument issues (7.5 hours)
- Research and assembly of cross-examination reference material, correspondence / discussion with UCG (7.5 hours)
- Preparation for hearing including review of all evidence including YEC updated evidence, finalize cross-examination questions, correspondence / discussion with UCG (7.5 hours)
- Correspondence / discussion with UCG re: adjustments to cross-examination questions during hearing, follow up on issues raised at oral hearing (7.5 hours)

June 29 – August 9, 2018 (30.5 hours)

- Research on issues raised during hearing; review and analysis of YEC undertaking responses, review of evidentiary record, preparation of initial draft of final argument, correspondence / discussion with UCG re: argument; finalize UCG argument for submission to YUB

August 10 – 23, 2018 (20.5 hours)

- Correspondence / discussion with UCG re: strategy for reply argument; review and analysis of filed arguments; development of draft UCG Reply argument including correspondence / discussion with UCG; revisions and preparation of final reply argument