

YUKON UTILITIES CONSUMERS' GROUP (UCG)

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Yukon Utilities Board

Box 31728

Whitehorse, Yukon Y1A 6L3

Attention: Richard Buchan, Chair

Re: Yukon Energy Corporation Cost Claim

Dear Mr. Buchan:

UCG has briefly reviewed the Yukon Energy Cost Claim for their 2021 GRA and have four general concerns that came out very clear.

- The first is that the YEC is claiming for budgetary processes from as far back as January of 2020. As per YEC **Justification of Applicant Costs Claim**

• Preparation

YEC's initial plans for a 2019/20 GRA were cancelled due to delays in completing the 2017/18 GRA compliance filing, and plans to file a 2020/21 GRA in early 2020 were also deferred due to the impact of the COVID-19 pandemic. Yukon Energy filed the 2021 GRA application in November 2020.

The following is noted regarding preparation costs included in the YEC cost claim:

- No YEC costs incurred for GRA preparation prior to January 1, 2020 are included – with the exception of costs for Alliance Consulting Group to complete a depreciation study
- Yukon Energy is seeking to recover costs incurred for GRA Application preparation starting January 1, 2020 – as work initiated for the 2020/21 GRA in early 2020 formed the basis for work completed for the 2021 GRA over 2020. This included initial preparation of load forecasts, dependable capacity requirements, updates to the LWRF Term Sheet tables used to develop LTA thermal requirements for the GRA, capital project write ups and initial drafts of GRA application tabs.

UCG submits these are uncalled-for rate costs as any company must prepare yearly budgets without compensation from their regulator. It should be work required and carried out by the highly paid administration and staff. YECs' initial plans and costs to file an early 2020 GRA, that never delivered, should not be charged to the rate hearing account. Accordingly, UCG submits any cost charges by DLA Piper up to 09/30/20 be denied. Also any cost charges for Intergroup to prepare for an early 2020 GRA (i.e. from January 2020 to June 30 (perhaps even into July and August as they do not identify where the previous GRA for budgetary preparation of load forecasts, dependable capacity requirements, updates to the LWRF Term Sheet tables used to develop LTA thermal requirements for the GRA, ends and where the new GRA preparations

begin). These were not up-to-date information that could be utilized for the November 20, 2020 General Rates package presented to the Board. Also during this time frame there were far too many charges for inter-office emails, group meetings between consultants (all on the time clock) and check-ins for the Intergroup.

- The second issue is with overlap with the BESS. These costs should be established, separated and denied from this rate hearing costs.
- The third is with the obvious overlap of three or more consultants from Intergroup, as well as office and administrative costs. Again not forthcoming to a large firm granting them nearly a half million dollars.
- And finally is YEC claims from September 02 to September 26/2021. These claims for both Intergroup and for DLA Piper are extremely high hours, mostly for readying the YEC panel. Are the YEC administrative panel not professionals able to handle such responsibilities? These cost claims for this time should be denied from the regulatory hearing account. DLA Piper, during this time frame, also had high hours for legal advice on the Faro Diesels Extension. It is the Yukon Energy that made errors in their documentation and evidence, regarding the preparation of the Faro site, therefore it is their obligation to pay for legal advice on this shaky issue. These cost should be denied for recovery under the hearing cost account.

Regards,

Roger Rondeau