

ATTACHMENT C

Davis LLP



LEGAL ADVISORS
SINCE 1892

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FILE NUMBER: 99999-90200

April 22, 2013

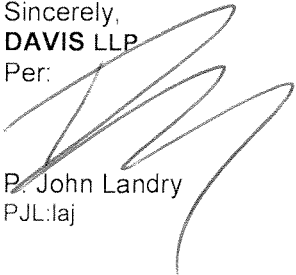
Mr. Ed Mollard
Chief Financial Officer
Yukon Energy Corporation
Whitehorse, YT Y1A 6S7

Re: Yukon Energy Corporation 2012/13 General Rate Application

This is to confirm that Davis LLP was retained by Yukon Energy to act on its behalf as legal counsel on all matters relating to the above-noted application including its preparations and pre-hearing and hearing processes before the YUB.

Sincerely,
DAVIS LLP

Per:


P. John Landry
PJL:laj

Davis: 13655805.1

InterGroup Consultants Ltd

Memorandum

DATE:	DECEMBER 5, 2011	PROJECT:	P306.2.5
TO:	Ed Mollard	FILE:	P:\P306\2.0\2012 GRA\Budget & Workplan\budget\Financial & Regulatory Consulting Services (General) - December 2011.doc
CC:	Cam Osler, Roberta Connon		
FROM:	Mona Pollitt-Smith		
SUBJECT:	Yukon Energy General Rate Application – SA11001		

You have requested that InterGroup Consultants assist Yukon Energy Corporation as regulatory consultants to provide assistance with the preparation of the above-noted anticipated filing and the regulatory review process before the Yukon Utilities Board. It is understood that this engagement will involve the following activities (starting on or about December 1, 2011):

- Preparation of the 2012/2013 General Rate Application – including economic analysis, as well as producing preliminary and final drafts of materials, and coordination of materials with Yukon Energy and its legal counsel. This work to prepare the Application will commence in December 2011 and is expected to continue through 2012.
- Professional services for production of the final document, including document review, formatting, production of electronic versions for filing and print-ready versions for production of paper copies, as needed, in Yukon.
- Active participation in the review process before the YUB – including assistance with the preparation of interrogatories and other activities or submissions required prior to any oral hearing process. Services would include coordination with YEC and legal counsel, writing, editing of interrogatory responses and other submission, as well as professional services for production of any documents, and overall process management and progress tracking during the IR preparation period.
- Preparation related to any YUB-led regulatory review process - including any preparation sessions with legal counsel and YEC, as well as preparation of any other necessary materials for any required oral hearing.

- Attendance at oral hearing as required - including providing oral testimony and assistance with undertakings and any other submissions as required.
- Assistance with Argument – including assistance with providing argument and reply argument and any other follow-up activities subsequent to the oral hearing, including related coordination with YEC and YEC legal counsel.

Costs for the above-noted services will primarily cover the participation of Cam Osler (Principal in charge), Patrick Bowman, Mona Pollitt-Smith and Hamid Najmidinov related to analysis and drafting of components of the application and interrogatories and related ongoing work (interrogatories, hearing and argument), and Jolene Mollard and other Clerical and Support staff related to document review, production and process tracking. Other consultants and research staff will be available to participate as required and as available.

InterGroup’s firm hourly rates are set separately for all staff members and rates for Principals or Consultants do not include costs for clerical, administrative or research staff support as directly provided for any assignment. Firm hourly rates do not vary when overtime is required. Expenses are charged at direct cost or at stipulated standard charge rates for copying, fax or other equipment. Invoices are provided each month on actual fees and expenses incurred to date, and are payable within 30 days. Resumes of individuals expected to contribute materially to this assignment have generally been provided previously; please advise if any additional resumes are required.

Firm hourly (\$) rates applicable to this assignment, based on current rates applicable to other work with YEC, are as follows:

Cam Osler	\$230	Hamid Najmidinov	\$ 85
Patrick Bowman	\$120	Jolene Mollard	\$ 69
Mona Pollitt-Smith	\$ 93	Clerical and Support	\$ 59-80

It is noted that firm hourly rates are subject to change and updated annually in October of each year.

Although there are some uncertainties as to timing and overall requirements, we have estimated a preliminary budget of \$150,000 in fees for the first phase of the assignment related to preparation and filing of GRA Application within the first quarter of 2012, and this will not be exceeded without YEC’s prior written agreement. It is expected that this budget will be reviewed subsequent to filing the GRA Application in order to address additional amounts required for any subsequent YUB review process, as well as any other required changes to the scope of work.

If you have any questions, please contact Cam or me.

EDUCATION:

M.A. (Economics), Simon Fraser University, 1968
University of Toronto Law School, 1964-1965
B.A. (Philosophy), University of Manitoba, 1964

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

1974 - Present

Founding partner and Chair & CEO of InterGroup Consultants Ltd. (formerly InterGroup Consulting Economists Ltd.); President to 2007.

2000 - 2006

Director, CBT Energy Inc.

Strategic planning and multi-disciplinary project team management experience, based on resource and regional economics expertise relating to mining, energy (particularly hydro-electric generation and renewable liquid energy fuels), and downtown tri-government urban development projects.

Detailed project experience is outlined below separately under each of the following headings:

- Socio-Economic and Environmental Assessment & Related Public Consultation – Mining, Hydro-electric, Forestry and Other Major Projects
- Strategic Planning & Multi-disciplinary Project Team Management – Resource, Regional and Urban Development Projects
- Compensation and Monitoring Related to Resource Project Impacts
- Utility Regulation – Expert Analysis and Testimony at Hearings
- Resource Rent, Royalty and Tax Policy – Related Expert Evidence
- Other Strategic Planning and Assessment

Socio-Economic and Environmental Assessment & Related Public Consultation – Mining, Hydro-electric, Forestry and Other Major Projects

- **For Manitoba Hydro (1999-Present)**, Study Leader responsible for socio-economic assessment and planning work in a multi-disciplinary Consultant Management Team retained to assist Manitoba Hydro in the conduct of the environmental assessment programs associated with future planning for three potential

hydroelectric generating stations in northern Manitoba (Wuskwatim, Keeyask and Conawapa), including site selection and environmental assessments for the associated transmission facilities. Provided expert testimony before the Manitoba Clean Environment Commission on the Wuskwatim Generation and Transmission Projects EISs submitted by Manitoba Hydro and Nisichawayasihk Cree Nation. The Wuskwatim Generation and Transmission Projects are currently under construction (the Wuskwatim Generation Project is being developed by the Wuskwatim Power Limited Partnership of Nisichawayasihk Cree Nation and Manitoba Hydro).

- **For Manitoba Hydro (2011-Present)**, senior advisor regarding environmental assessment approach, including significance and cumulative effects assessment, for the EIS filing of the proposed Bipole III Transmission Project.
- **For Yukon Energy Corporation (2008-Present)**, Project Principal regarding 10+ MW Mayo B Hydro Enhancement Project activities related to preparation of YEC Project Proposal Submission to the Yukon Environmental and Socio-economic Assessment Board Executive Committee and the YEC Application to the Yukon Water Board, and related planning activities leading to construction of this project, including negotiation of Project Agreement with First Nation of Na-cho Nyak Dun, process to select and finalize Alliance construction contractor (Kiewit), preparation of Public Utilities Act Part 3 Application for Mayo B and provision of expert testimony on this Application to the Yukon Utilities Board, and participation in ongoing oversight of project implementation activities (the project came into service before the end of 2011).
- **For Yukon Energy Corporation (2005-2008)**, Project Principal regarding 138 kV Carmacks-Stewart Transmission Project activities related to preparation of YEC Project Proposal Submission to the Yukon Environmental and Socio-economic Assessment Board Executive Committee, negotiation of purchase power agreement with mine customer to be served by this project and Project Agreement with three Northern Tutchone First Nations, provision of expert testimony on this project to the Yukon Utilities Board, and participation in ongoing oversight of project implementation activities (Stage 1 of this project came into service in late 2008, Stage 2 came into service in mid-2011).
- **For Manitoba Floodway Authority (2003-2005)**, senior advisor regarding environmental assessment and licensing activities of the proposed Red River Floodway Expansion Project. Provided expert testimony before the Manitoba Clean Environment Commission on EIA study approach, including cumulative effects assessment, regarding the Project EIS submitted by the Manitoba Floodway Authority.

- **For Yukon Energy Corporation (1992-2002)**, advisory reviews of environmental impact assessment work for re-licensing of the Aishihik hydro-generation facility and related expert testimony before the Yukon Territorial Water Board.
- **For uranium mining companies in northern Saskatchewan during the 1990's**, project director for consultants regarding socio-economic impact assessment, economic impact and cost-benefit assessments, and public consultation design and implementation for the Rabbit Lake expansions (Cameco Corporation, 1991-1993), the McArthur River developments (Cameco Corporation, 1993-1996), the Cigar Lake developments (Cigar Lake Mining Corporation, 1993-1996), and the Rabbit Lake extension (Cameco Corporation, 1999-); provided related evidence and expert witness testimony for the Rabbit Lake federal environmental review panel hearing and the McArthur River developments federal-provincial environmental review panel hearings. Provided advisory review for InterGroup's similar socio-economic and economic impact assessments, and public consultation work for COGEMA related to Cluff Lake mine projects during this period.
- **For Cameco, Cigar Lake Mining Corporation and COGEMA (1993-1994)**, facilitation of an agreement in principle for an impact management agreement involving seven Athabaska communities (this was one element of the socio-economic/public consultation EIS work related to the McArthur River and CLMC projects).
- **For Repap Manitoba, Inc. (1989-1991)**, project management of the socio-economic impact assessment, and design and implementation of an extensive public consultation program, for the proposed Phase 1 Manitoba expansion.
- **For aggregate producers in Ontario during the 1980's and early 1990's**, socio-economic impact and resource policy evaluations relating to proposed aggregate developments in southern Ontario (Puslinch, Milton and Niagara Escarpment Planning Area); provision of resource economics expert testimony before the Ontario Municipal Board on behalf of TCG Materials Limited and on behalf of Armbro Aggregate.
- **For the City of Winnipeg in the 1990's**, socio-economic impact assessment for the new Charleswood and Main/Norwood bridge developments (two separate assignments; provided advisory review for other InterGroup principals who directed this work, as well as assistance in coordination of hearing testimony for the regulatory review of the Charleswood bridge project).
- **For the Moosonee Development Area Board (early 1990's)**, socio-economic counsel in an intervention relating to potential impacts of Ontario Hydro's proposed hydro generation development of the Moose River Basin.

- **For Manitoba Hydro in the late 1980's and 1990's**, senior advisory review as required by other InterGroup principals carrying out the following assignments: socio-economic impact assessment and public consultation program for the Conawapa hydro generating station EIS (1989-1993); socio-economic impact assessment and public consultation program for the Split Lake transmission line project (joint study with the First Nation, early 1990's); socio-economic impact assessment and public consultation program for the siting and the EIS related to the Winnipeg-Brandon transmission line and Neepawa substation projects (1995-1997); study to review environmental externality and compensation cost modeling for hydro-generation and related transmission line projects (1996-1997). Deputy Project Director for initial environmental assessments study for third Bipole Transmission Lines (1986-1987).
- **For Manitoba Hydro in the early-to-mid 1980's**, various investigations with respect to the environmental and socio-economic impacts related to planning of new power generation projects in northern Manitoba, including deputy project director for the Burntwood River Environmental Overview Study (1980-1984), and review of InterGroup's work (carried out by senior staff) to prepare the socio-economic assessment and conduct public consultation for the Limestone hydro-electric generating station EIS.
- **For Alcan in the early 1980's**, management of investigations with respect to the socio-economic impacts of a proposed aluminum smelter in Manitoba.
- **For Key Lake Mining Corporation in the early 1980's**, expert testimony before the Commission of Enquiry on socio-economic impacts associated with the uranium project at Key Lake.
- **For Amok Ltd., in the 1977 Saskatchewan hearings on uranium developments**, provided expert testimony before the Bayda Commission of Enquiry on socio-economic impacts associated with the Amok mining project at Cluff Lake.

Strategic Planning & Multi-disciplinary Project Team Management –Resource, Regional and Urban Development Projects

- **For Yukon Energy Corporation (2005 - present)**, project director for various strategic planning activities, including: preparation of Yukon Energy's 2006 20-Year Resource Plan Submission to the Yukon Utilities Board (provided expert testimony before the YUB) and the 5-year update to this Resource Plan being prepared in 2011; senior advisor to 2007-2008 update team assessing near-term hydro generation enhancement options for potential in-service by 2012 (lead to selection of Mayo B Project as well as Gladstone, Atlin and Marsh Lake projects for near-term development); overall strategic planning for development of the

Carmacks Stewart Transmission Project and the Mayo B Hydro Enhancement Project (see resume for these projects under Socio-Economic and Environment Assessment and Related Public Consultation); preparation of Yukon Energy's 2011 20-Year Resource Plan: 2011-2030.

- **For the City of Winnipeg and Neeginan Development Corporation (1998)**, project director responsible for preparation of the Development Plan for the Thunderbird House project on Main Street.
- **For Spirit of Manitoba Inc. and Manitoba Entertainment Complex Inc. (1994-1995)**, responsible for management of all aspects of a project to develop a new downtown entertainment complex and to retain the Winnipeg Jets Hockey Club in Winnipeg; managed the multi-disciplinary team carrying out negotiations, siting, design, costs, feasibility planning, environmental assessments, and other work required to secure approvals under tight deadlines specifically for the new arena component of the project.
- **For The Forks Renewal Corporation (a corporation owned by Canada, Manitoba and Winnipeg) during the late 1980's and early 1990's**, Development Coordinator responsible for planning and directing initial development and financial activities (1987-1993), including negotiation of land exchange agreements, preparation of a Phase I Concept and Financial Plan, site planning and Stage One projects, roads and services; ongoing financial and strategic planning counsel.
- **For Government of Yukon (Department of Economic Development, Mines & Small Business) (1985-1987)**, management of multi-disciplinary team carrying out financial, economic, legal and strategic planning work relating to the devolution and transfer to Yukon of the Northern Canada Power Commission assets and operations in Yukon; participation in all related negotiations.
- **For the East Yard Task Force (comprised of the governments of Canada, Manitoba and Winnipeg) (1985-1986)**, general advisor and manager for all consultant work (planning and architectural, engineering, financial and legal) related to the redevelopment of a major rail yard area in downtown Winnipeg.
- **For North Portage Development Corporation (1984-1987)**, economics and financial counsel during the initial development phase; coordinator for work relating to corporate financial plans, selection of major developers (retail, housing and office projects), and negotiation of long-term agreements (land lease, development and other related agreements) with each of the selected developers.

- **For Canadian Methanol Canadian during the 1980s**, participation in an executive capacity in a partnership venture involving Inter-City Gas Corporation and The M100 Group to develop methanol vehicle fuel [management of multidisciplinary project team involving engineers, planners, financial, legal, and other professionals to demonstrate and develop hybrid (natural gas and wood feedstock) methanol production facilities as well as different market uses for methanol (including use in flexible fuel passenger vehicles)].
- **For the Government of Canada in the late 1970's**, project director of a major multi-disciplinary study to examine the feasibility of producing liquid fuels (including methanol) from biomass feedstock resources throughout Canada; this study included examination of liquid fuel production options involving the joint use of either electricity or natural gas along with biomass feedstock. The multi-disciplinary consulting team included firms with chemical engineering and forestry expertise.

Compensation & Monitoring Related to Resource Project Impacts

- **For Tsay Keh Dene First Nation (2001-2009)**, expert socio-economic and resource economics assistance with respect to settlement negotiations concluded with BC Hydro and the Province of British Columbia relating to impacts on the Tsay Keh Dene First Nation from the Williston Reservoir developments in the 1970s (AIP reached in 2006); related advice regarding the Peace Water Use (WUP) process and contracting arrangements for Tsay Keh WUP reservoir-related contracts with BC Hydro.
- **For Kwadacha First Nation (2001-2008)**, expert socio-economic and resource economics assistance with respect to settlement negotiations concluded with BC Hydro and the Province of British Columbia relating to impacts on Kwadacha First Nation from the Williston Reservoir developments in the 1970s (AIP reached in 2006; Final Agreement reached in 2008).
- **For Manitoba Hydro in the 1990's**, expert socio-economic and resource economics assistance with respect to claims by the community of South Indian Lake (early 1990's) and by Northern Flood Agreement communities, including the Cross Lake First Nation (1999-Present), related to post-project development impacts from hydroelectric power development.
- **For uranium mining companies (1999)**, project director for the preparation of a draft work plan for a community vitality monitoring program for northern communities in Saskatchewan affected by uranium mining development; the work plan requirement arose out of federal-provincial environmental impact panel hearings on the McArthur River and Cigar Lake mining projects; the work plan was

prepared for a working committee with representatives from the three uranium mining companies (Cameco Corporation, COGEMA, and Cigar Lake Mining Corporation), the Saskatchewan Northern Mines Monitoring Secretariat, and the northern Saskatchewan Health Districts.

- **For BC Hydro (early 1990's)**, evaluation of a trust fund proposed to compensate five Lillooet Nation Bands for damages from hydroelectric generation and transmission activities.
- **For the Beaufort Sea Steering Committee (early 1990's)**, review of wildlife compensation program options in the event of an oil spill in the Beaufort Sea.
- **For Manitoba Hydro (1989-1990)**, project management of an independent post-project evaluation of the Grand Rapids Project impacts on Aboriginal communities, including direction of the socio-economic component of the evaluation.

Cost of Service and Rates – Expert Analysis and Testimony at Hearings

- **For the Yukon Energy Corporation (1989-Present)**, expert testimony before the Yukon Utilities Board on planning major capital projects (1992) and on electricity costing and rates related to rate applications by Yukon Energy Corporation (1989, 1991, 1993, 1996, 1997, 1998, 2005, 2008-09 and YEC-YECL 2009 Phase II Application).
- **For Newfoundland Industrial Customers (2001 and 2003)**, expert testimony before the Board of Commissioners of Public Utilities of Newfoundland and Labrador on electricity costing and rates related to general rate applications by Newfoundland Hydro.
- **For the Manitoba Industrial Power Users Group (1987-1999)**, expert testimony before the Manitoba Public Utilities Board in Manitoba Hydro electricity rate hearings, including rate applications in 1987/88, 1989, 1990, 1991, 1992, 1994, 1995, and 1998, and the Manitoba Hydro Major Capital Projects hearing in 1990. Represented MIPUG at hearings before the Board in 1999 to approve the purchase of Centra Gas by Manitoba Hydro.
- **For the Bruce Municipal Telephone System in the early 1990's**, expert economic evidence to the Ontario Telephone Service Commission related to the cost of equity capital.
- **For Government of Yukon, expert testimony before the National Energy Board in 1985**, expert testimony on costs and rates pertaining to the Northern Canada Power Commission.

- **For IPSCO during the 1980's**, expert testimony before Saskatchewan Utilities Regulatory Commission hearing on the first and second rate applications by Saskatchewan Power Commission.
- **For Stelco, INCO and the Motor Vehicle Manufacturers' Association of Canada, in the 1977-1979 Ontario Energy Board hearings HR5**, examining Ontario Hydro's electricity costing and pricing principles; provided consulting advice and expert testimony on the issues and options pertaining to that hearing.
- **For a consortium (The Consumers' Gas Company, Union Gas, Northern and Central Gas and the Ontario Ministry of Energy), a 1974 report on natural gas requirements throughout Canada**; provided expert testimony before the National Energy Board on this report.

Resource Rent, Royalty and Tax Policy – Related Expert Evidence

- **For Regional Municipality of Ottawa Carleton (RMOC) in the mid-1990's**, expert resource and regulatory economist evidence before the Ontario Municipal Board on By-Law 234/92, which imposed compensation payments on private landfill operators in the Region.
- **For a group of pipeline companies in Ontario (1989-1992)**, assistance with coordination of expert evidence in an arbitration, and provision of expert evidence on methodology to determine annual rent for pipeline use of a transmission corridor owned by Ontario Hydro.
- **For Sun Oil in the 1970's**, counsel on preparation of a brief to the Government of Canada on the proposed Federal Land Regulations for Oil and Gas Lands.
- **For the Canadian Potash Producers' Association in the 1970's and early 1980's**, expert assistance with taxation discussions with Saskatchewan authorities, analysis of the proposed government takeover of the potash industry, and liaison with legal counsel.
- **For the Uranerz-Inexco joint venture in the 1970's**, participation in discussions between the Saskatchewan Government and the uranium industry concerning uranium taxation revisions; provided economic counsel for these discussions.
- **For the Mining Association of British Columbia in the 1970's**, expert testimony before the Commission of Enquiry into property taxation in that province.

- **For the Mining Association of Canada in the 1970's**, preparation of analytical models for comparison of different mineral taxation structures.
- **For Canadian Industrial Oil and Gas Ltd. In the 1970's**, analysis of the public policy aspects of Saskatchewan Bill 42 relating to taxation (advice to legal counsel related to a court case).

Other Strategic Planning and Assessment

- **For the Yukon Energy Corporation and the Yukon Development Corporation (1987-Ongoing)**, financial and strategic planning counsel on major issues, including rate policy planning (see also Utility Regulation), major capital planning issues (see also Environmental Assessment and Strategic Planning), management agreement arrangements, negotiations in the 1990s between YEC and various owners of the Faro mine, negotiation in 2006-2007 of Power Purchase Agreement (PPA) with Minto Explorations Ltd. and ongoing activities to amend the Minto PPA and to negotiate PPAs with other mines (including Alexco Resource Corp.).
- **For Manitoba Hydro (1999-early 2000s)**, assistance on various matters, including policy reviews related to debris management programs and planning related to US market consultations.
- **For the Northern Manitoba Economic Development Commission (1991-1992)**, participation in the preparation of two reports, contributing to the Commission's Sustainable Economic Development Plan for Northern Manitoba for the 1990s.
- **For Regional Municipality of Ottawa Carleton (RMOC) during the 1990's**, economic assessments of options to extend the life of the Trail Road Landfill site.
- **For Metropolitan Toronto (late 1980's)**, economic analysis of the best available technology for the utilization of the landfill gas resources at the Keele Valley Landfill site.
- **For a western energy company (early 1990's)**, preparation of a Cost-Benefit Analysis of a 160 MW co-generation project, assessment of the implications of the project for Manitoba Hydro, and participation in the discussions between the company and Manitoba Hydro.
- **For Western Economic Diversification (late 1980's)**, assessment of Winnipeg tri-government development corporation cash flow scenarios.
- **For the Government of Manitoba during the late 1980's and early 1990's**, advice and assistance in the preparation of proposal calls for the redevelopment of a historically significant site in

Winnipeg, as well as participation in the developer selection and negotiation process.

- **For the Canadian Electrical Association in the late 1970's,** management of interdisciplinary team investigations with respect to the impacts of proposed federal atmospheric emission control guidelines on Canadian electrical generating industry thermal power stations.

Hedlin Menzies/Acres Consulting Services
Hedlin Menzies & Associates Ltd.

Winnipeg, Manitoba

1968 - 1974

Research Economist/*Manager and Senior Consultant*

Project manager of major studies involving regional resource and cost-benefit impact policy issues relating to prairie manufacturing, prairie elevator and transportation rationalization, Manitoba Hydro northern development activities, Canadian energy requirements and research and development priorities, alternative export policies for natural gas, Canadian Merchant Marine development options, alternative rail route options in the Yukon and northern British Columbia, and various mineral resource policy options pertaining to mining development and taxation.

Sessional lecturer on mineral economics for one year at the University of Manitoba's Natural Resources Institute.

RESEARCH PAPERS:

"The Process of Urbanization in Canada, 1600-1961." Simon Fraser University (M.A.) Thesis. 1968.

"Technological Change and the Economics of Agricultural Development." Simon Fraser University (M.A.) Thesis. 1968.

"Economic Analysis of Short-Term Alternatives Regarding Southern Indian Lake in Manitoba" (joint work with Dr. A.M. Lansdown, P.Eng., 1969).

"A New National Development Policy for Canada: The Relevance of Western Canada." Prepared for the Liberal Conference on Western Objectives. 1973.

"Canada's Gains and Losses from Oil Export Taxes" (joint work with Dr. R.W. Fenton, 1973).

"Resource Management Factors Influencing Mineral Development in North Central Canada." Paper presented to the annual western meeting of the Canadian Institute of Mining and Metallurgy, Winnipeg, October 7, 1974.

"Energy, Provincial Rights and Canadian Unity." 1973.

"An Evaluation of 'An Energy Policy for Canada' " (joint work with Dr. R.W. Fenton, 1973).

"Resource Management Factors Influencing Manitoba Mining." Natural Resources Institute, University of Manitoba. 1974.

"Liquid Fuels from Renewable Resources in Canada: Systems Economic Studies." Paper presented to the Institute of Gas Technology Symposium on Energy from Biomass and Wastes, Washington, DC. August 1978.

"Canadian Scenario for Methanol Fuel." Paper presented to the Alcohol Fuels Technology Third International Symposium, California, January 1979.

"Socio-Economic Impacts from Potential Canadian Methanol Fuel Development." Paper presented to the IV International Symposium on Alcohol Fuels Technology, Brazil. October 1980.

"Canadian Methanol Development Using Natural Gas and Wood Feedstocks." Paper presented to the First IEA Conference on New Energy Conservation Technologies and their Commercialization, Berlin. April 1981.

"Methanol as an Alternative Automotive Fuel: CMC's Approach and Experience." Paper presented to the West Coast International Meeting of the Society of Automotive Engineering, Vancouver, BC. August 1983.

"Status of CMC Fuel Methanol Production and Market Development Programs." Paper presented to the VI International Symposium on Alcohol Fuels Technology, Ottawa. May 21-25, 1984.

"Diesel & Thermal Electricity Generation Options." Background Paper for Yukon Energy Corporation Energy Planning Charrette, Whitehorse, March 6-9, 2011. Related presentations at the Energy Charrette: "Loads and Role of Diesel" and "Thermal Generation Options".

"LNG - Transition Fuel Option for Yukon." Paper presented at Yukon Energy LNG Workshop, Whitehorse, January 18, 2012.

EDUCATION: **University of Manitoba**
MNRM (Natural Resource Management), 1998

Prescott College (Arizona)
BA (Human Development and Outdoor Education), 1994.

**PROFESSIONAL
HISTORY:**

InterGroup Consultants Ltd.

Winnipeg, MB

1998 – Present *Research Analyst/Consultant/Principal*

Project development, regulatory economic analysis and socio-economic impact assessment experience, primarily in the energy field.

Utility Regulation

Conducted research and analysis for regulatory reviews of electrical and gas utilities in four Canadian provinces. Prepare evidence and review testimony for regulatory hearings. Assist in utility capital and operations planning to assess impact on rates and long-term rate stability. Major clients included the following:

- **For Yukon Energy Corporation (1998-present)**, analysis and support of regulatory proceedings and normal regulatory filings before the Yukon Utilities Board. Appear before YUB as expert on revenue requirement matters, cost of service, rate design, and resource planning. Prepare analysis of major capital projects, financing mechanisms to reduce rate impacts on ratepayers, as well as revenue requirements.
- **For Yukon Development Corporation (1998-present)**, prepare analysis and submission on energy matters to Government. Participate in development of options for government rate subsidy programs. Assist with review of debt purchase, potential First Nations investment in utility projects, and corporate governance.
- **For Northwest Territories Power Corporation (2000-present)**, provide technical analysis and support regarding General Rate Applications and related Public Utilities Board filings. Assist in preparation of evidence. Appear before PUB

as expert in revenue requirement, cost of service and rate design matters, and on system planning reviews (Required Firm Capacity).

- **For Manitoba Industrial Power Users Group (1998-present)**, prepare analysis and evidence for regulatory proceedings before Manitoba Public Utilities Board representing large industrial energy users. Appear before PUB as expert in cost of service and rate design matters. Assist in regulatory analysis of the purchase of local gas distributor by Manitoba Hydro. Assist industrial power users with respect to assessing alternative rate structures and surplus energy rates.
- **For Industrial Customers of Newfoundland and Labrador Hydro (2001-present)**, prepare analysis and evidence for Newfoundland Hydro GRA hearings before Newfoundland Board of Commissioners of Public Utilities representing large industrial energy users. Appear before PUB as expert in cost of service and rate design matters.
- **For NorthWest Company Limited (2004-2006)**, review rate and rider applications by Nunavut Power Corporation (Qulliq Energy), provide analysis and submission to rate reviews before the Utility Rates Review Council.

Project Development, Socio-Economic Impact Assessment and Mitigation

Provide support in project development, local investment opportunities or socio-economic impact mitigation programs for energy projects, including northern Manitoba, Yukon, and NWT. Support to local communities in resolution of outstanding compensation claims related to hydro projects.

- **For Yukon Energy Corporation (2005-current)**, Participated in preparation of resource plans, including Yukon Energy's 20-Year Resource Plan Submission to the Yukon Utilities Board in 2005 (including providing expert testimony before the YUB), advisor on ongoing 2010 update. Project Manager for all planning phases of the Mayo B hydroelectric project (\$120 million project) including environmental assessment and licencing, preliminary project design, preparation of materials for Yukon Utilities Board hearing, joint YEC/First Nation working group on all technical matters related to project including fisheries, managing planning phase financing and budgets.
- **For Northwest Territories Power Corporation (2010-2012)**, Participate in planning stages of \$37 million dam replacement project; appear before Mackenzie Valley Land and Water Board (MVLWB) regarding environmental licence conditions; participate in contractor negotiations, economic assessments, and ongoing joint company/contractor project Management Committee.

- **For Northwest Territories Energy Corporation (2003-2005)**, provide analysis and support to joint company/local community working groups in development of business case and communication plans related to potential new major hydro and transmission projects.
- **For Kwadacha First Nation and Tsay Keh Dene (2002-2004)**: Support and analysis of potential compensation claims related to past and ongoing impacts from major northern BC hydroelectric development. Review options related to energy supply, including change in management contract for diesel facilities, potential interconnection to BC grid, or development of local hydro.
- **For Manitoba Hydro Power Major Projects Planning Department (1999-2002)**, initial review and analysis of socio-economic impacts of proposed new northern generation stations and associated transmission. Participate in joint working group with client and northern First Nation on project alternatives (such as location of project infrastructure).
- **For Manitoba Hydro Mitigation Department (1999-2002)**, provide analysis and process support to implementation of mitigation programs related to past northern generation projects, debris management program. Assist in preparation of materials for church-led inquiry into impacts of northern hydro developments.
- **For International Joint Commission (1998)**, analysis of current floodplain management policies in the Red River basin, and assessment of the suitability of alternative floodplain management policies.
- **For Nelson River Sturgeon Co-Management Board (1998 and 2005)**, an assessment of the performance of the Management Board over five years of operation and strategic planning for next five years.

Government of the Northwest Territories

Yellowknife, NT

1996 - 1998

Land Use Policy Analyst

Conducted research into protected area legislation in Canada and potential for application in the NWT. Primary focus was on balancing multiple use issues, particularly mining and mineral exploration, with principles and goals of protection.

PUBLICATIONS:

Government Withdrawals of Mining Interests in Great Plains Natural Resources Journal. University of South Dakota School of Law. Spring 1997.

Legal Framework for the Registered Trapline System in Aboriginal Trappers and Manitoba's Registered Trapline System: Assessing the Constraints and Opportunities. Natural Resources Institute. 1997

Land Use and Protected Areas Policy in Manitoba: An evaluation of multiple-use approaches. Natural Resources Institute. (Masters Thesis). 1998

EDUCATION:

MNRM (Masters of Natural Resources Management), University of Manitoba, Natural Resources Institute, 1999

Bachelor of Science (Environmental Science), University of Manitoba, 1996

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

2000 - Present

Research Analyst/Research Consultant/Consultant/Principal

Regulatory economic analysis and socio-economic impact assessment experience, primarily in the energy and water resource management fields.

Utility Regulation

For numerous clients throughout Canada (including British Columbia First Nations Energy and Mining Council; Northwest Territories Power Corporation; Yukon Energy Corporation; Manitoba Industrial Power Users Group; Industrial Customers of Newfoundland and Labrador Hydro; Northwest Company, Qulliq Energy Corporation). Responsibilities for some or all of these clients have included the following:

- **Expert Testimony before Utility Regulatory Tribunals (2001-present)** – includes preparing pre-filed expert testimony related to cost-of-service studies and rate design. Provided oral expert testimony in four separate proceedings before the Manitoba Public Utilities Board.
- **Prepare Technical Analysis Related to Resource Planning** – includes participating on behalf of the BC First Nations Energy and Mining Council on the Technical Advisory Committee to BC Hydro's 2011/12 Integrated Resource Planning process. Responsibilities included participating in TAC and preparing reports for distributions to BCFNEMC and BC First Nations.
- **Prepare Utility Regulatory Filings** – includes undertaking analyses and preparing utility evidence and regulatory filings related to capital structure; operations and maintenance expenses; return

on equity; cost-of-service and rate design. Responsibilities have also included preparing responses to information requests, drafting argument for utility rate proceedings, technical analysis and support during hearings and settlement negotiations and preparing briefing notes for executives, directors and government.

- **Economic Analysis for Major Capital Projects** – includes benefit cost analyses and system resource planning studies related to new generation projects (both hydro and thermal generation sources). Also includes preparing capital project permit applications.
- **Other Studies and Analyses** – undertaking numerous other studies and analyses including:
 - Participated as lead technical advisor in the development of a proposal for a marginal cost based rate for industrial customers in Newfoundland;
 - Developed a stand-by rate proposal for the Northwest Territories Power Corporation that was reviewed and approved by the Northwest Territories Public Utilities Board; and
 - Undertaken reviews of electricity subsidy programs in several jurisdictions, including preparing ministerial briefing notes and cabinet submissions.

Socio-economic and Environmental Assessment

- **For Manitoba Hydro (2008-Present)** – provided support related to socio-economic assessment and documentation of the route selection process for the Keeyask North Access Road. Provide senior advice related to the socio-economic assessment of the proposed Keeyask Generating Station.
- **For Yukon Energy Corporation (2009)** – provided senior advice on approach to environmental assessment for the proposed Mayo B Hydro Project. Responsibilities included advising on approach to selection of valued components and assessment methods.
- **For Manitoba Floodway Authority (2003-2005)** – managed the field program for the socio-economic impact assessment of the Floodway Expansion, a linear infrastructure project to improve flood protection for the City of Winnipeg. Responsibilities included:
 - Planning, conducting and supervising field work and key-person interviews;
 - Analysis of potential socio-economic pathways of environmental effects based on the results of engineering and bio-physical studies; and

- Drafting and editing the socio-economic chapter of the Floodway Expansion environmental impact statement.

Participation in the project also involved responding to interrogatories and supporting expert testimony on socio-economic impacts at the Clean Environment Commission hearings on the project.

- **For Province of Manitoba (2003)** – conducted analysis related to recreation and tourism benefits of summer water level regulation in the City of Winnipeg. Responsibilities included quantitative and qualitative assessments of potential benefits of water level regulation.
- **For Province of Manitoba (2000-2002)** – conducted quantitative and qualitative assessment of socio-economic impacts related to proposed flood control alternatives for the City of Winnipeg, including key-person interviews with stakeholders and presentation of results at public meetings.

Other Related Experience and Project Management Experience

- **For Atlantic Canada Electronics Stewardship; Saskatchewan Waste Electronic Equipment Program; Electronics Stewardship Association for British Columbia (2008-Present)** – project study director for a review of Environmental Handling Fees related to electronic recycling programs in Nova Scotia, Saskatchewan and British Columbia. Overall responsibility for all aspects of the research including analysis of costs and revenues, calculation of fees, report writing and recommendations for stakeholder consultation. Provide ongoing technical support and analyses related to fee structures.
- **For COGEMA (now AREVA Resources Canada Inc) (2005) Economic Impact Study of the McClean Lake Facility** – managed the research and report writing for an economic impact study for the McClean Lake Facility in Northern Saskatchewan. The research included economic impacts at the local and provincial level related to the McClean Lake Operation include several open pit mines near Sue Lake (Sue A, B, C, D and E sites), the JEB mill located near the mined-out JEB pit (JEB site), a tailings management facility, other support facilities for activities such as tailings management and water treatment, and other site infrastructure.

PUBLICATIONS:

"Evaluating Sustainability Criteria for Water Resources Decision Making: A Case Study from the Assiniboine Delta Aquifer Region", Canadian Water Resources Journal, June 1999.

"Data Needs for Sustainable Decision Making", Journal of Sustainable Development and World Ecology, June 1999.

"Evaluating Sustainability Criteria: Application in the Assiniboine Delta Aquifer Region", (Masters Thesis), 1998.

EDUCATION: **University of Manitoba, Faculty of Law**
LL.B., 2003

University of Manitoba
Bachelor of Arts (Honours History), 1998

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

2005 - Present

Research Analyst/ Research Consultant/Consultant

Utility Regulation

Research and analysis on legal and regulatory issues regarding utility rate regulation

For Yukon Energy Corporation (2006 to present)

- Lead consultant for preparation of 2012/2013 General Rate Application.
- Project Manager and lead consultant on 5-Year Update to 20-Year Resource Plan.
- Ongoing assistance with regulatory filings and other related matters as required, including 2011 Rider F Policy filing and review process, 2010 Alexco PPA application and related Yukon Utilities Board review.
- Project Manager for Yukon Energy 2009 Phase II Rate Application; coordinating and assisting with preparation of Phase II Rate Application filing document, interrogatories, hearing preparation and final argument.
- Project Manager for Yukon Energy 2008/2009 General Rate Application; coordinating and assisting with preparation of General Rate Application filing document, interrogatories, hearing preparation and final argument.
- Project Manager for Yukon Energy's intervention in Yukon Electrical's 2008/2009 General Rate Application, including review of Yukon Electrical's Application and development of issues list, coordinating

filing of interrogatories, assistance with preparation of cross-examination, attendance at hearing and argument.

- Project Manager for Yukon Utilities Board Part III hearing review of Mayo B Hydro Enhancement Project; coordinating and assisting with preparation of Part III Application filing document, interrogatories, hearing preparation and final argument.
- For Mayo B Hydro Enhancement Project assistance with tracking negotiation process and review of contracts and other agreements related to the project.
- Provided assistance with Part 3 Hearing process for the Carmacks-Stewart Transmission Project before Yukon Utility Board, including assistance with drafting and editing application and interrogatory responses.
- Assistance during regulatory process seeking Yukon Utility Board approval of a Power Purchase Agreement with Minto Mine, including writing and editing interrogatory responses, final argument and reply argument and any other required legal/ regulatory analysis.
- Assistance with drafting/ editing/ analysis of Power Purchase Agreement (PPA) with Minto Mine. This included reviewing successive drafts of agreement to ensure provisions were internally consistent, as well as consistent with other related agreements, as well as providing an assessment of the implications of terms and conditions.
- Assistance with ongoing monitoring terms and conditions of Power Purchase Agreement to ensure compliance.

For Manitoba Industrial Power Users Group (MIPUG) (2005 to 2011)

- Project Manager for Manitoba Hydro 2008 General Rate Application hearing and 2008 Energy Intensive Industrial Rate Application hearing. Work performed included coordinating and assisting with preparation of MIPUG intervenor evidence and interrogatories, coordinating and interrogatory responses, hearing preparation (assist with preparation of direct evidence and cross-examination), and argument.
- Assistance with preparation for regulatory proceedings before Manitoba Public Utilities Board representing large industrial energy users at the Manitoba Hydro 2006 Cost of Service hearing.

- Research and assistance with analysis of various legal and regulatory issues as well as preparation of written submissions.

For Rentcash Inc. (2007 to 2008)

- Project manager for intervention in 2008 Hearing into Maximum Charges for Payday Loans; duties included coordinating and providing assistance with the preparation of written submissions, including assistance with preparation of evidence, interrogatories, interrogatory responses and rebuttal evidence.

For Turtle Mountain Sustainable Ventures Inc (2007)

- Review of legislation, regulations and policy for municipal water infrastructure in Manitoba.

Environmental Assessment

Research and analysis on legal and regulatory issues regarding environmental assessment and related regulatory issues.

For Yukon Energy Corporation (2005 to present)

- Project Manager for Yukon Water Board licence amendment application process for the Mayo Hydro Enhancement Process; work performed included reviewing Waters Act and regulations; determining filing requirements; preparation of application and assistance with coordinating Yukon Water Board adequacy review process and subsequent oral hearing.
- Assistance with Mayo Hydro Enhancement assessment process under YESAA, as required, and assistance with other regulatory filings including Fisheries Act Authorization and Navigable Waters review processes.
- Legal analysis of Yukon Environmental and Socio-Economic Assessment Act (YESAA), Regulations and Rules and implications for planned developments in Yukon.
- Assistance in preparing submissions to government regarding implications of draft YESAA regulations and rules on environmental assessment of energy projects in Yukon.
- Assistance with drafting and editing proposal to the Executive Committee of the Yukon Environment and Socio-Economic Assessment Board for assessment of Carmacks-Stewart Minto Spur Transmission Project.

- Assistance with review of Project Agreement negotiated between utility and Northern Tutchone First Nations. This included reviewing successive drafts of agreement to ensure provisions were internally consistent as well as consistent with other related agreements.

For Manitoba Hydro (2005-2007)

- Legal and regulatory analysis regarding environmental assessment issues such as CEAA, project scoping, significance methodology and review of the Species at Risk Act.

Legal Aid Manitoba

Winnipeg, Manitoba

July - Sept 2004

Legal Aid Intake

Worked at the Legal Aid Drop-ins Clinic taking Legal Aid applications and providing members of the public with legal advice on variety of family law, criminal law and civil law issues.

Public Interest Law Centre

Winnipeg, Manitoba

2003 - 2004

Articling Student

- Conducted research and provided legal memos in a variety of areas, including: Constitutional law, Charter of Rights and Freedoms, Aboriginal law, Environmental law, and Administrative and Regulatory law.
- Monitored Clean Environment Commission hearing for Wuskwatim Generation Station and Transmission Project. Responsibilities during the course of the hearing included briefing clients on the contents of the Environmental Impact Statement, briefing clients on the evidence submitted by the hearing's proponents and participants, conducting cross-examination of the project's proponents and providing the Commission with written and oral submissions.
- Researched and wrote three papers.
- Worked as Legal Aid On-call Duty Counsel.
- Worked at the Legal Aid Drop-ins Clinic taking Legal Aid applications and providing members of the public with legal advice on variety of family law, criminal law and civil law issues.

The University of Manitoba

Winnipeg, Manitoba

May 2002 - Jan 2003

Research Assistant

Researched the development of the "Rand Formula" in Canadian Labour law.

The University of Manitoba

Winnipeg, Manitoba

May - Sept 2002

Research Assistant

Surveyed Justice Ivan Rand's written decisions at the Supreme Court of Canada and provided a synopsis of his uses of legal history.

The University of Manitoba

Winnipeg, Manitoba

2002

Volunteer, University Law Centre

Provided members of the public with legal assistance.

PUBLICATIONS:

Byron Williams and Mona Pollitt-Smith, "A Survey of Canadian Cost Awards Models" CAMPUT Annual General Meeting, Gimli, September 7-10, 2003. (Unpublished)

Gerry McNeilly and Mona Pollitt-Smith, "Serving the Needs of the Elder Client: Issues of Language and Culture", 2003 Isaac Pitblado Lectures.

Byron Williams and Mona Pollitt-Smith, "Lawyering for the Public Good: Access to Justice and the Pro Bono Solution" June 2004, Canadian Bar Association Conference.

EDUCATION:

Master of Arts (Economics), University of Manitoba, 2003

Bachelor of Science (Economics), Andijan Institute of Engineering & Economics, 2000

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

2009 - Present

Research Consultant/Consultant

Utility Regulation

- **For Yukon Energy Corporation (2009 - present)**, as part of 2008/2009 Phase I and Phase II General Rate Applications, preparing responses to Information Requests from intervenors (related to sales and generation forecasting, rate design, revenue requirement, etc), perform cost-of-service study analysis, rate design and rate impact analysis. Work on preparation of year-end financial statement reporting and GRA update filing for submission to the Yukon Energy Board. Perform forecast cash flow analysis to determine financing needs for the capital projects. Work on a 20-year YEC Resource Planning update for the load forecast and capacity/supply options components.
- **For Northwest Territories Power Corporation (2009-present)**, work on preparation and submission of regulatory filings and applications, including technical analysis related operations and maintenance expenses, return on equity, cost of service, rate design. Worked on preparation of rate rebalancing application targeted to redesigning the existing rate structure in NWT to move from community-specific to a levelized zone-based rates structure. Major capital projects implementation support related to performing economic analysis, preparation and submission of applications for regulatory approvals, participate in negotiations between NTPC and a contractor on risk-sharing basis alliance model contract for the Bluefish Dam Replacement project. Perform technical and economic analysis of potential renewable energy projects in NWT. Perform the medium and long term load forecast, incorporating industry and population trends by community.

- **For Qulliq Energy Corporation (2009 - present)**, manage the project on development and submission of 2010/11 Phase I and Phase II General Rate Applications; provide support and perform analysis related to QEC's operating budget forecast, load forecast, capital structure, return on equity, amortization expense, cost of service and rate design; provide support in the GRA review process by the regulatory council; provide public awareness support for the rate applications; prepare compliance filings. Major capital projects implementation support related to performing economic analysis, preparation and submission of applications for regulatory approvals. Fuel Stabilization Fund rider application submission support.

Ministry of Finance

Tashkent, Uzbekistan

2005 - 2008

Lead Economist

- Member of the Unit for reforming Public Finance Management system of Uzbekistan and introduction of treasury execution of State budget. [Successful implementation of the reform led to official establishment of Ministry of Finance Treasury by the President's decree in February 2007.] Liaised with the World Bank, Asian Development Bank, IMF, and EU Commission and worked on financial, organizational and advisory issues in relation to reforming PFM system of Uzbekistan. Represented Ministry of Finance in the negotiations with the World Bank, ADB and EU. Drafted, as a member of the task force, regulations on transition mechanism to treasury execution of State budget in Uzbekistan and organized training for budget organizations on the new treasury system. Developed, as a member of the task force, the new Budget Classification System, consistent with the international standards, for Uzbekistan [Approved in 2008]. Developed, as a member of the task force, functional modules for Treasury Software (Financial Management Information System) to be developed and fully implemented nationwide in 2011 in Uzbekistan. Analyzed results of pilot implementation of treasury execution of State budget in selected regions of Uzbekistan, and prepared proposals on further steps of reforming Public Finance Management system of Uzbekistan. Worked with the World Bank, IMF, ADB and EU experts in order to establish the internal control and audit framework in the Ministry of Finance Treasury [Approved in 2008].

2003 - 2005

Research Associate

- Conducted quantitative analysis and econometric modeling of different fiscal policy scenarios for Uzbekistan. Designed and implemented econometric models for forecasting annual and long-term State budget revenues. Conducted analysis of the impacts of demographic, economic and other factors on government spending (such as health care and pension funding) in order to identify expenditure risks and their

mitigation measures. Drafted, as a member of the task force, the Law on Funded Pension System of Uzbekistan [Approved by the Parliament in December 2004 and became effective from January 2005]. Conducted analysis of tax policy (direct taxation) and tax compliance, and prepared policy proposals to the Ministry of Finance on changes to tax policy and fiscal planning.

Westminster International University

Tashkent, Uzbekistan

2006 - 2008

Lecturer, Module Leader

- Advanced Microeconomics
- International Trade

EDUCATION: Bachelor of Science (Economics), Fergana State University, 2000
Accounting, Qadamjay Business College, 1995

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

2009 – Present

Research Analyst/Research Consultant

- **For Qulliq Energy Corporation**, provide support in the preparation of Phase I and Phase II of 2010/11 General Rate Application, including preparation of sales and revenue forecast, revenue requirement, amortization and ratebase schedules, Cost of Service analyses, rate design and schedules; provide support in the preparation of Major Project Permit Applications and Fuel Stabilization Rider Application.
- **For Northwest Territories Power Corporation**, support in developing monthly load and revenue forecasts for budget planning; proposed territory-wide levelized rate structure analysis; cost of service comparison and rates analysis between utilities in different jurisdictions; potential mini-hydro projects benefit cost analysis.
- **For Yukon Energy Corporation**, support in preparation of 2009 GRA Phase II application (bill impacts analysis; cost of service review; revenue-cost ratio analysis); support in budget planning and in preparation of regulatory reports; support in preparation of Yukon Energy's 20-Year Resource Plan update (load forecast update; alternative generation benefit analysis); performed power benefit analysis for Mayo B and Mayo Lake projects.
- **For Manitoba Hydro Keeyask GS Project**, KCN communities Population Projection Model support and updates; project employment estimates analysis; Northern Aboriginal employment estimates model updates.
- **For Vale – Regina Potash Project (Saskatchewan)**, compiled an information package, containing review of Saskatchewan electricity and natural gas market; electricity and rates review and analysis

between utilities in different jurisdictions; analytical information on natural gas prices, drilling, production and demand.

CSS North America Inc.

Toronto, Ontario

2007 – 2009

Accounting and Sales Manager

- Member of the team that specializes in providing and installation of Intellidyne energy-saving economizers, Hi-Spectrum color corrected fluorescent lamps and Rami woven aluminum thermoshield night blinds. Prepare invoices, control payments; prepare cheques, collect bills and other expenses, tax accountant support; strategic planning.

State Property Committee

Uzbekistan

2003 - 2007

Economist, Privatization Unit

- Analyzed processes related to denationalization and privatization of state business property; member of the working group for developing and submission for approval to the Government of Uzbekistan of state policy programs drafts on denationalization and privatization of state business; monitored and coordinated implementation of developed programs. Implemented programs targeting elimination of state business ownership monopoly; development of market based private ownership mechanisms; supporting the development of a new private-business social class; performed property estimates under appropriate evaluation method (expense/revenue/comparative) and organized property sales auctions for potential investors; drafted/reviewed investment agreements and monitored their implementation; analyzed pilot implementation of state policy programs, and prepared regular reports on improvements required.

**Republican Real Estate Exchange
Regional Department**

Uzbekistan

2002 - 2003

Economic Analyst

- Reviewed and analyzed tendering and auction processes; prepared statistical reports on sales/bids trends and variances; performed market evaluation of properties; assisted the management in organizing auctions and tenders.

State Property Committee

Uzbekistan

2000 - 2002

Statistical Analyst

- Performed data collection and analysis of state business property management; developing the methodological basis for legislation on state property management; preparing briefing notes to the Management on state business property management efficiency.



EDUCATION: Master of Public Administration, Architecture & Allied Arts, University of Oregon, 2008

Bachelor of Science in Economics, College of Arts and Science, University of Oregon, 2006 Minor: Business Administration

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

November 2010 – Present Research Analyst

Regulatory Involvement

Assist in rate-setting activities and analysis. Provided support to Yukon General Rate Application, information request and hearing preparation processes. Provide background research and support to LNG and Resource Plan related topics in Yukon. Conducted technical research and support for Manitoba Hydro evidence and hearing processes. Assisted with the rate impact analysis and writing of draft Major Project Permits for proposed power stations in Nunavut. Assisted in the writing of a project brief for the proposed capital project in Northwest Territories. Involved in the 20-year energy resource plan process in Yukon. Involved in Nunavut General Rate Application process as a project manager.

Socio-Economic Involvement

Involved in YESAB Designated Office filing process as a project manager; provide research and drafting support, and maintain global project budget. Managed logistics for the Yukon Designated Office filing public consultation program.

Provided support to Core document management and information request processes. Provided background research and support to Keeyask EIS. Involved in developing management system for tracking the writing process for the Keeyask Generation Project Core document. Provide research and drafting support to Keeyask supplemental filing process. Provided research and drafting support to Bipole III Transmission Project hearing process.

Assisted in development of public involvement program for an ethanol plant project proposal. Provided support to and participated in engagement activities with First Nation stakeholders. Developed and

maintained a public engagement database used to track all project-related communications.

Document client and stakeholder meetings for various projects. Assist in coordination and documentation of various project-related public involvement programs.

Oregon Employment Dept.

Eugene, Oregon

August 2008 – April 2010

Research Analyst

Reviewed and edited micro and integrated micro/macro quarterly data edits. Reviewed and assigned industry, county and ownership codes for Oregon employers. Conducted comparative analyses of Oregon Labor Market Information by industry and sector. Published articles in Oregon Labor Trends magazine and co-wrote the quarterly Oregon Business Employment Dynamics publication. Assisted in the development of Employment department's OED-at-a-Glance program for new employees.

Quality Financial Group

Eugene, Oregon

August 2007 – August 2008

Assistant Financial Planner

Assisted with account management (new accounts, brokerage transfers, retirement and direct business accounts). Assisted with the investment process (variable annuities, Individual Retirement Accounts, Real Estate Investment Trusts, life insurance). Performed daily office management duties. Coordinated and supervised client and wholesaler events.

University of Oregon

Eugene, Oregon

September 2006 – June 2008

Graduate Student

Master's Thesis

Developed a master's thesis with the topic of comprehensive health care in Oregon. Compared State of Massachusetts financial model for health care to conduct cost analysis and feasibility in Oregon. Researched health care models in other states comparable to Oregon as well as the health care systems of the U.S. health care and commonwealth countries.

Student

Developed an advanced knowledge of quantitative and qualitative analysis from master's program, including cost-benefit analysis and GAAP for various sectors, public and health policy and project management. Conducted research and analysis for local firms and government

departments, which included a worker's compensation benefit analysis and report for Oregon Department of Consumer and Business Services in 2008. Participated in a 3-term practicum at a financial planning firm that focused on financial planning and analysis practices for private, public and non-profit organizations.

University of Oregon

Eugene, Oregon

2006 - 2008

Graduate Research Coordinator of the Indigenous Americas
Executed independent research projects related to the Indigenous Americas. Researched potential grants for the Center of Indigenous Cultural Survival (CICS). Maintained CICS records and files. Coordinated public speaking events and forums hosted by CICS.

University of Oregon

Eugene, Oregon

2002 – 2006

Undergraduate Student

Developed advanced writing skills and exceptional problem solving skills by cultivating critical, logical, and original thinking skills while in the economics and business programs. Developed advanced research, analysis, public speaking and time management skills.

EDUCATION:

Master of Arts (Economics), University of Manitoba, 2011

Bachelor of Arts (International Trade), Henan University, 2009

PROFESSIONAL HISTORY:

InterGroup Consultants Ltd.

Winnipeg, Manitoba

Present

Research Analyst

- **For Yukon Energy Corporation** - provide support in review and cross-checking of the 2011 Resource Plan Update draft appendices; provide support in preparation of 2012/13 Business Plan.
- **For Northwest Territories Power Corporation** - provide analytical support in preparation of 2012/14 GRA.

University of Manitoba

Winnipeg, Manitoba

2010-2011

Teaching Assistant

Department of Economics

- Held office hours to help students with assignments and preparation for exams.
- Assisted instructors with marking examination papers and assignments.
- Maintained effective working relationships with professors.

Language Lab - Asian Studies Centre

- Communicated with students from diverse culture and background.
- Designed various activities in listening and conversational labs to help students with learning.
- Hosted "Chinese Corner" every week to explain Chinese traditional culture, history, music and arts.

Bento Sushi Express**Winnipeg, Manitoba**

2010

Cashier

- Answered customers' questions, and provided information on procedures or policies.
- Recorded totals of transactions.

Industrial and Commercial Bank of China**Zhengzhou, China**

2009

Credit Department

- Collected large amounts of information concerning people or firms that borrow money.
- Classified and analyzed data to help supervisor with making final decisions.
- Made recommendation to consumers with proper financial products and service.

Zhongming Guoji Science and Technology Trade Co., Ltd**Zhengzhou, China**

2006

Marketing Assistant

- Answered phones, directed calls and responded to inquiries.
- Maintained confidential records and files; prepared documents and reports on the computer.
- Scheduled meetings and made meeting records.

AWARDS:

International Graduate Student Entrance Scholarship, 2010

International Graduate Student Bursary, 2009

Outstanding Graduate of Henan Province, China (2%), 2009

SPECIAL SKILLS:

Computer Skills - Familiar with STATA

Languages - Fluent in English (IELTS: 7) and Mandarin

KPMG LLP

1 **TOPIC: Depreciation study**

2

3 **REFERENCE: Application, Tab 10, Depreciation Study**

4

5 **QUESTION:**

6

7 a) Please provide a copy of the terms of reference and any correspondence, e.g.
8 meeting minutes, etc., between YEC and KPMG regarding the depreciation
9 study.

10

11 b) Page 10-7 lists several methods of life estimation. Please provide which life
12 estimation methods were used for each of the asset classes (for generation,
13 transmission and distribution).

14

15 c) Please explain why other northern utilities (NWT, Nunavut) or other utilities from
16 B.C. or Alberta with similar climate and terrain were not used as comparators.

17

18 d) Please explain why specific details of the depreciation study were not provided,
19 e.g. specific Iowa curves used, etc.

20

21 e) Please provide the amount YEC paid KPMG for the depreciation study.

22

23 **ANSWER:**

24

25 **(a)**

26

27 Please see Attachment 1 to this response. No formal meeting minutes or notes were
28 prepared.

29

30 **(b)**

31

32 With reference to page 10-7, where quantitative methods were used KPMG employed
33 an actuarial methodology referred to as the retirement-rate method. Please see
34 YECL-YEC-1-55(a) Attachment 1 page 12, and YECL-YEC-1-60(b) for a list of those sub
35 accounts that were analyzed using a quantitative approach.

1 **(c)**

2
3 KPMG used comparable utilities where public and up-to-date information was readily
4 available. At the time of the KPMG study, Northwest Territories Power Corporation was
5 in the middle of preparing their own depreciation study update the results of which were
6 not yet available. Nunavut Power does not have hydro or transmission assets. BC Hydro
7 was one of the key comparable utilities.

8
9 **(d)**

10
11 The document provided as Tab 10 of the 2012/2013 General Rate Application was a
12 Preliminary Summary of Results provided in early 2012 to ensure that updated
13 information on depreciation rates and asset lives could be incorporated into the
14 2012/2013 General Rate Application. KMPG's scope of work included completing a
15 more detailed report providing the analysis, assumptions and methods supporting the
16 conclusions and recommendations provided in Tab 10. Specifically, at page 10-2 of Tab
17 10 KMPG notes, "While this preliminary document sets forth our conclusions, please
18 note that it is not intended to be considered a complete narrative report. This document
19 will be supplemented by a complete narrative report fully outlining our assumptions and
20 methodologies which will be delivered at a future date."

21
22 Since filing the General Rate Application, KMPG has completed its narrative report
23 which is provided as Attachment 1 to YECL-YEC-1-55(a).

24
25 **(e)**

26
27 The cost of the depreciation study performed by KPMG was \$84,500.



KPMG LLP
Chartered Accountants
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Vancouver BC V7Y 1K3
Canada

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Fax (604) 691-3031
Internet www.kpmg.ca

Mr. Ed Mollard
Chief Financial Officer
Yukon Energy Corporation
PO Box 5920
Whitehorse, Yukon Y1A 5L6

December 2, 2011

Dear Ed,

RE: DEPRECIATION STUDY PROJECT

The purpose of this letter is to outline the terms of our engagement to provide professional services to assist management of Yukon Energy Corporation ('YEC', 'Yukon Energy', or the 'Entity') with its Depreciation Study Project.

The attached terms and conditions form an integral part of the terms of this engagement letter and are incorporated herein by reference.

BACKGROUND

Management of YEC has decided to initiate a project to assess and recommend appropriate depreciation rates consistent with depreciation accounting policies used under International Financial Reporting Standards ('IFRS') ("Depreciation Study Project").

The Depreciation Study Project produced by KPMG may be utilized by YEC in proceedings before the Yukon Utility Board and for other business purposes.

OBJECTIVES AND APPROACH

Our Depreciation Study Project Methodology adopts an approach which includes key project phases:

- Part 1(A) Data Analysis and Detailed Assessment Phase
- Part 1(B) Design, Development and Delivery Phase
- Part 2 Support Phase

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



We have tailored our approach based on our understanding of your progress to date and your immediate needs.

Below we have summarized the key components of each project phase:

Phase 1 (A): Data Analysis and Detailed Assessment Phase

This first phase to the Depreciation Study Project focuses on:

- Understanding which assets are material to YEC and therefore in the project's scope;
- Analysis of historical data, including:
 - Review of previous depreciation study results and other information available for in-scope assets to understand the nature of the assets, historical acquisition or construction dates, current depreciation rates, planned usage requirements and risk factors affecting useful lives and salvage values;
 - Assess current componentization level of property, plant and equipment for in-scope assets and assess if amendments are required thereto;
- Interview engineers and other interested parties
- Perform a site visit of significant in-scope assets, where deemed necessary;
- Discuss with management the alternative methods for depreciating components (e.g. straight line, declining balance or sinking fund)
- Assess which available depreciation rate assessment models are appropriate from a quantitative and qualitative perspective for the size of YEC.

Deliverables

The deliverables for this Data Analysis and Detailed Assessment phase will include:

- Regular (weekly) updates summarizing progress on for example; assets within the scope of the study, components, and key findings, alternative depreciation rate analysis approaches and related recommendations thereon.

Phase 1 (B): Design, Development and Delivery Phase

In this phase the Depreciation Study Project focuses on:

- Adapting KPMG's depreciation rate assessment models for the data collected from the findings in Phase 1;
- Obtain necessary model inputs and assess outputs for reasonableness;



- Calculate and recommend the appropriate depreciation rate for each in-scope asset giving consideration to the expectancy of each property group to live a full cycle, or have a fixed retirement age or date;
- Review preliminary modeling and modeling results with management and amend modeling, as required.
- Provide recommendations as to the expected average life, and mortality dispersion for each in-scope asset, as well as the expected service lives for each in-scope asset, as well as the expected service lives and retirement dates of in-scope asset. Our recommendations will take into account the asset-lives of similar assets in other jurisdictions.
- Determine the average remaining life of property of in-scope assets in each class;
- Calculate the depreciation requirement for each depreciable in-scope asset and test the adequacy of the accumulated depreciation per book.
- Review at a qualitative, high-level, those asset categories out of scope for the detailed depreciation rate modeling.
- Finalizing the depreciation report, incorporating management's comments and suggestions;

Deliverables

The deliverables for this Second Phase will include:

- Draft model(s) and summary of significant findings for management review and comments.
- Final Depreciation Project Study Report.

Phase 2: Support Phase

This phase includes supporting YEC management in its expected upcoming GRA Application, including assisting in drafting presentation materials, attending meetings and presenting our report's findings, as needed.

Deliverables

The deliverables for this Phase will include:

- Communicating to YEC management, Board and other stakeholders, as directed by YEC
- Reviewing and responding to questions directed from YEC to KPMG
- Supporting YEC in its GRA Application process including attending as a witness before the YUB;



ENGAGEMENT TEAM

Peter Greenwood will be responsible for the overall quality of service YEC receives during the conduct of this engagement.

Vimal Patel will lead the service delivery for YEC during the course of this engagement.

As part of your engagement, KPMG ensures a level of quality control over the deliverables we provide to you. Our quality control starts with a designated KPMG partner who performs the Engagement Quality Review on significant documents and key deliverables to YEC. This role will be performed by Jonathan Erling.

We will also assign professionals with the necessary skills and experience to assist with on-site fieldwork as appropriate.

TIMING AND PROFESSIONAL FEES

We are prepared to begin our work upon receipt of a signed copy of this engagement letter and at a time mutually determined by YEC and KPMG. We anticipate that Phases 1A and B will take place over the months of December 2011 to February 2012. Phase 2 will likely take place in 2012.

As described in this letter the work will be undertaken in certain phases. The fees for Phases 1(A) and (B) will be \$72,500.

Phase 2 will be undertaken on a time and materials basis. Our professional fees are based upon the specified skill level of the professionals providing the services and the amount of time and materials required to complete the engagement. The following table represents the hourly rates that will be applied on the Phase that is a time and material basis.



Level	Net Hourly Rate
Associate Partners and Partners (Patel, Erling, Greenwood)	\$495
Senior Managers	\$395
Managers	\$260
Senior Accountants	\$180
Advisory Staff	\$155
Staff Accountants	\$95

Our fees will be billed on a monthly basis based on the hourly rate of each professional working on this engagement and our invoices are due upon receipt. Administrative charges will not be included in fees for Phases 1 A and B of the project. However on the Phase 2 Support Phase an administrative charge will be calculated based on a percentage of our fees (5%) and includes such expenses as photocopies, fax charges, printing of statements and reports, postage and delivery and administrative and report department assistance. Out of pocket expenses such as travel and accommodation will be charged as incurred.

Our professional fees are exclusive of Provincial HST. Accordingly, the appropriate amount of tax will be computed and shown separately on our invoices, together with our firm's HST registration number, so that you will have the information required to claim an input tax credit.

TERMS AND CONDITIONS

In addition to our Advisory Terms and Conditions set out in Appendix A, the following responsibilities and conditions are understood:

- KPMG will provide our services in accordance with the terms and conditions of this letter. Such services are not intended to be an audit, examination, attestation, special report, or agreed-upon procedures engagement as those services are defined in the CICA Handbook applicable to such engagements conducted by independent auditors. Accordingly, these services will not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.



Yukon Energy Corporation
Engagement Letter
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- This engagement contemplates providing general advice on the application of depreciation rates as well as advice on the application of depreciation issues to a specific transaction. This engagement does not contemplate providing advice on the application of accounting principles to specific transactions and facts and circumstances of YEC where you have previously sought guidance from your external auditor, and accordingly, this engagement is outside the scope of *CICA Handbook*, Section 7600, and Reports on the Application of Accounting Principles. If you have previously sought guidance from your external auditor and request our advice on the application of IFRS or other accounting principles to specific transactions previously discussed with them, such advice would be provided pursuant to a separate engagement letter and governed by the requirements of our professional standards as outlined in CICA 7600.
- KPMG will not provide advice on hypothetical transactions. KPMG's only role with respect to proposed or completed transactions will be to provide advice to specific facts and circumstances.
- KPMG will act as a contractor in providing these services as set out in this letter and does not undertake to perform obligations of YEC or its management, whether regulatory or contractual.
- The deliverables presented as part of this engagement (apart from the Depreciation Project Study Report) are for the use of YEC management, the Audit Committee, and Board of Directors and will be solely used for business purposes. We disclaim any responsibility or liability for losses, damages, or costs incurred by anyone as a result of the unauthorized circulation, publication, reproduction, or use of our deliverables contrary to the provisions of this letter. Our deliverables will reflect our observations as of the date we conduct our work. We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents accordingly.
- There is no guarantee that all accounting and disclosure differences will be identified during the course of an assessment engagement. Certain accounting and disclosure differences can be identified only by detailed review of transaction contracts and other underlying documentation.
- Actions and decisions taken by YEC based on recommendations and analysis provided by KPMG during the course of this engagement remain the responsibility of YEC's management.
- GAAP and IFRS pronouncements and applied interpretations are subject to revision by the respective Canadian and International authoritative accounting bodies. Any accounting advice provided by KPMG will be based on our understanding of current pronouncements and interpretations at the time we provide the advice, and such advice may therefore change materially in response to subsequent changes or revisions to



the pronouncements or interpretations. KPMG assumes no responsibility to update advice previously provided unless specifically requested by YEC.

- Management of YEC are responsible for their regulatory filings, including financial statements and the appropriate application of GAAP, including all records, judgments, estimates and assumptions necessary to ensure such statements comply with the relevant filing requirements. With regard to KPMG's services, management of the Entity is responsible for:
 - Determining the objectives, scope, and extent of KPMG services.
 - The accuracy and completeness of the facts, circumstances and supporting documentation provided to KPMG for purposes of formulating our analyses.
 - Reviewing and approving the outputs of our work before they are used in your final preparation and regulatory filings.
 - YEC will designate a Project Manager at management level to oversee the conduct of this project, including coordination of the Entity's required resources and review of draft deliverables. Entity personnel assigned to the project will review draft deliverables on a timely basis.
 - KPMG will require the support of Entity personnel in order to achieve timely completion of the project. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings.
 - Management will be responsible for satisfying the information requests of its external auditors and for providing to the external auditors the necessary information and representations they will require in connection with their audit activities.

* * * * *



*Yukon Energy Corporation
Engagement Letter
December 2, 2011
Page 8 of 12*

If the terms of this engagement letter as set forth above are acceptable to you, please indicate your acceptance and authorization for KPMG to proceed with the related work by signing both copies of this letter in the appropriate space and returning one of the originals to us.

Yours Sincerely,

Peter Greenwood

Peter Greenwood
KPMG LLP
Partner
604 691 3187

agm/

Enclosures:

The arrangements and terms set out are as agreed:

Yukon Energy Corporation

By: *E. Mallett* *Chief Financial Officer*
(Name, Position)

Date: *Dec 4/11*



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

1. TERMS AND CONDITIONS.

a. The Terms and Conditions are an integral part of the accompanying Proposal or Engagement Letter from KPMG that identifies the engagement to which they relate.

b. In the event of conflict between the Proposal or Engagement Letter and the Terms and Conditions, the Terms and Conditions shall prevail unless specific reference to a provision is made in the Proposal or Engagement Letter. Other capitalized words in the Terms and Conditions shall have the meanings given to them in the Proposal or Engagement Letter.

2. SERVICES.

KPMG will use reasonable efforts to complete the performance of the services within any agreed-upon time-frame. It is understood and agreed that KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. KPMG will not perform management functions or make management decisions for Client. Nothing in the Terms and Conditions shall be construed as precluding or limiting in any way the right of KPMG to provide services of any kind or nature whatsoever to any person or entity as KPMG in its sole discretion deems appropriate.

3. CLIENT RESPONSIBILITIES.

a. Client agrees to cooperate with KPMG in the performance of the services under the Engagement Letter and shall provide or arrange to provide KPMG with timely access to and use of the personnel, facilities, equipment, data and information to the extent necessary for KPMG to perform the services under the Engagement Letter. To the extent that KPMG employees are on Client premises, Client will take all reasonable precautions for the safety of KPMG partners and employees at Client premises. Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to KPMG for purposes of the performance by KPMG of its services hereunder. The Proposal or Engagement Letter may set forth additional responsibilities of Client in connection with the engagement. Client acknowledges that Client's failure to perform these obligations could adversely impact KPMG's ability to perform its services.

b. Client agrees that Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee the performance of the services under the Engagement Letter, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including, without limitation, monitoring ongoing activities.

c. Client acknowledges and agrees that KPMG will, in performing the services, base its conclusions on the facts and assumptions that Client furnishes and that KPMG may use data, material, and other information furnished by or at the request or direction of Client without any independent investigation or verification and that KPMG shall be entitled to rely upon the accuracy and completeness of such data, material and other information. Inaccuracy or incompleteness of such data, material and other information furnished to KPMG could have a material effect on KPMG's conclusions.

d. Client acknowledges that information made available by it, or by others on Client's behalf, or otherwise known to partners or staff of KPMG who are not engaged in the provisions of the services shall not be deemed to have been made available to the individuals within KPMG who are engaged in the provision of the services hereunder. Client undertakes that, if anything occurs after information is provided by Client to KPMG to render such information untrue, unfair or misleading, Client shall promptly notify KPMG.

4. REPORTING.

a. During the performance of the services, KPMG may supply oral, draft or interim advice, reports or presentations but in such circumstances KPMG's written advice or final written report shall take precedence. No reliance should be placed by Client on any oral, draft or interim advice, reports or presentations. Where Client wishes to rely on oral advice or oral

presentation, Client shall inform KPMG and KPMG will provide documentary confirmation of the advice concerned.

b. Subsequent to the completion of the engagement, KPMG will not update its advice, recommendations or work product for changes or modification to the law and regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions, unless Client separately engages KPMG to do so in writing after such changes or modifications, interpretations, events or transactions.

5. WORKING PAPERS AND USE OF REPORTS.

KPMG retains all rights in all methodologies, know-how, knowledge, applications and software developed by KPMG either prior to or during the engagement. KPMG also retains all rights (including copyright) in all reports, written advice and other working papers and materials developed by KPMG during the engagement. Unless contemplated by the Engagement Letter, all reports and written advice are intended solely for Client's internal use and, where applicable, government taxation authorities, and may not be edited, distributed, published, made available or relied upon by any other person without KPMG's express written permission. If such permission is given, Client shall not publish any extract or excerpt of KPMG's written advice or report or refer to KPMG without providing the entire advice or report at the same time. Subject to the restrictions of Section 6, KPMG is entitled to use or develop the knowledge, experience and skills of general application gained through performing the engagement.

6. CONFIDENTIALITY.

a. Except as described in section 5 above, Client will treat in confidence any KPMG methodologies, know-how, knowledge, application or software identified by KPMG as confidential information of KPMG, and will not use or disclose such confidential information of KPMG to others.

b. KPMG will treat as confidential all proprietary information and personal information obtained from Client in the course of the engagement. c. The above restrictions shall not apply to any information that: (i) is required by law or professional standards applicable to KPMG to be disclosed; (ii) that is in or hereafter enters the public domain; (iii) that is or hereafter becomes known to Client or KPMG, as the case may be, without breach of any confidentiality obligation; or (iv) that is independently developed by Client or KPMG, as the case may be.

d. KPMG shall be entitled to include a description of the services rendered in the course of the engagement in marketing and research materials and disclose such information to third parties, provided that all such information will be rendered anonymous and not subject to association with Client.

e. KPMG shall be entitled to share all information with all other member firms of KPMG International Cooperative ("KPMG International"). KPMG may also use such information to offer services that may be of interest to Client. KPMG may retain and may disclose to other member firms of KPMG International, subject to terms of this section, such information required for compliance with applicable professional standards or internal policies or quality reviews or share best practices.

f. Professional standards require KPMG personnel performing any audit or assurance services for clients to discuss or have available to them all information and materials that may affect the audit or assurance engagement. Client authorizes, if Client is or becomes an assurance Client, KPMG personnel performing services under the engagement to make available to the KPMG assurance engagement team and other KPMG personnel, the findings, observations and recommendations from the engagement and agrees that KPMG may use all such findings, observations and recommendations in KPMG's assurance engagement.

7. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of this engagement. Client represents and warrants that: (i) it will obtain from individuals all consents required by law to permit KPMG to collect, use and disclose all personal information reasonably required in the course of the engagement, and (ii) it has provided notice of KPMG's potential processing of information outside of Canada (as described in paragraph 8 below) to all individuals whose personal information is disclosed to KPMG. Client consents to KPMG sending to Client, its officers, directors and employees, as applicable, electronic



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

messages including emails) relating to KPMG products and services and other matters of interest to Client.

8. INFORMATION PROCESSING OUTSIDE OF CANADA.

Personal and/or confidential information collected by KPMG during the course of this engagement (e.g. entries into KPMG's time and billing system and into KPMG's conflicts database) may be processed and stored outside of Canada by KPMG, KPMG International member firms providing services hereunder or third party processors. Such personal and/or confidential information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

9. TAXES/BILLING/EXPENSES/FEES.

- a. All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by Client without deduction from the fees and charges hereunder.
- b. Bills, including, without limitation, a charge on account of all reasonable expenses, including travel, meals, accommodations, long distance, telecommunications, photocopying, delivery, postage, clerical assistance and database research will be rendered on a regular basis as the engagement progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice.
- c. Without limiting its rights or remedies, KPMG shall have the right to halt or terminate entirely its services until payment is received on past due invoices.
- d. In the event that the engagement is terminated and Client proceeds to complete the transaction or financing within 18 months from the termination date, then the full amount of any Completion Fee shall be payable on closing of the transaction or the completion of financing, regardless of whether KPMG provided further service.

10. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. LIMITATION ON LIABILITY.

- a. Client agrees that KPMG shall not be liable to Client for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by Client to KPMG under the engagement. On a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.
- b. In the event of a claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Client will indemnify KPMG from all such claims, liabilities, damages, costs and expenses, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.
- c. In no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). In any action, claim, loss or damages arising out of the engagement, Client agrees that KPMG's liability will be several and not joint and several. Client may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.
- d. For purposes of this section, the term KPMG shall include its associated and affiliated entities and their respective partners, directors,

officers and employees. The provisions of this section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

12. LEGAL PROCEEDINGS.

- a. Client agrees to notify KPMG promptly of any request received by Client from any court or applicable regulatory authority with respect to the services hereunder, KPMG's advice or report or any related document.
- b. If KPMG is required by law, pursuant to government regulation, subpoena or other legal process or requested by Client to produce documents or personnel as witnesses arising out of the engagement and KPMG is not a party to such proceedings, Client shall reimburse KPMG at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, incurred in responding to such requests.
- c. Client acknowledges that KPMG may from time to time receive requests or orders from professional, securities or other regulatory, judicial or governmental authorities (both in Canada and abroad) to provide them with information and copies of documents in KPMG's files including working papers and other work-product relating to Client. Except where prohibited by law, KPMG will advise Client of the request or order. Client hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from Client.

When such an authority requests access to KPMG's working papers and other work-product relating to Client's affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed KPMG at the time of delivery that the Client asserts privilege, except where disclosure of documents is required by law. Client must mark any document over which it asserts privilege as "privileged". If and only if the authority requires such access to privileged documents pursuant to the laws of a jurisdiction in which express consent is required for such disclosure, then Client hereby provides its consent.

Where privileged Client documents are disclosed, KPMG is directed to advise the authority that Client is permitting disclosure only to the extent required by law and for the limited purpose of the authority exercise of statutory authority. KPMG is directed to advise the authority that Client does not intend to waive privilege for any other purpose and that Client expects its documents to be held by the authority as privileged and confidential material (held securely, limited distribution, etc.). For greater certainty, Client and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and Client expressly relies upon the privilege protections afforded under statute and otherwise under law.

13. LIMITATION PERIOD.

No action, regardless of form, arising under or relating to the engagement, may be brought by either party more than one year after the cause of action has accrued or in any event not more than five years after completion of the engagement in the case of an advisory services engagement and not more than eight years after completion of the engagement in the case of a tax services engagement, except that an



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

action for non-payment may be brought by a party not later than one year following the date of the last payment due to such party hereunder. For purposes of this section, the term KPMG shall include its associated and affiliated entities and their respective partners, directors, officers and employees.

14. TERMINATION.

Unless terminated sooner in accordance with its terms, the engagement shall terminate on the completion of KPMG's services hereunder, which completion shall be evidenced by the delivery by KPMG to Client of the final invoice in respect of the services performed hereunder. Should Client not fulfill its obligations set out herein or in the Engagement Letter and in the absence of rectification by Client within 10 days, KPMG may, upon written notice, terminate its performance and will not be responsible for any loss, cost or expense resulting. The engagement may be terminated by either party at any time by giving written notice to the other party not less than 30 calendar days before the effective date of termination. Upon early termination of the engagement, Client shall be responsible for the payment to KPMG for KPMG's time and expenses incurred up to the termination date, as well as reasonable time and expenses to bring the engagement to a close in a prompt and orderly manner.

15. E-MAIL COMMUNICATION.

Client recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless Client requests in writing that KPMG does not communicate by Internet e-mail, Client assumes all responsibility or liability in respect of risk associated with its use.

16. POTENTIAL CONFLICTS OF INTEREST.

Except as otherwise set out herein, Client should be aware that it is not uncommon for KPMG to be auditors and/or advisors of more than one of the parties involved in a transaction. In such situations, KPMG takes appropriate measures to ensure that strict confidentiality is maintained in all respects. If these circumstances are identified, KPMG will advise Client of that fact, subject to confidentiality requirements, and will consider with Client what further measures, if any, are appropriate. Client further acknowledges that at some point KPMG may act contrary to Client's interest on unrelated matters.

17. FORCE MAJEURE.

Neither Client nor KPMG shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

18. INDEPENDENT CONTRACTOR.

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

19. SURVIVAL.

Sections 1 to 16 and 19, 20, 24, 25 and 29 hereof shall survive the expiration or termination of the engagement.

20. SUCCESSORS AND ASSIGNS.

The Terms and Conditions and the accompanying Proposal or Engagement Letter shall be binding upon the parties hereto and their respective associated and affiliated entities and their respective partners, directors, officers and employees and successors and permitted assigns. Except as provided below, neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. KPMG may assign its rights and obligations hereunder to any affiliate or successor in interest to all or substantially all of the assets or business of the relevant KPMG practice, without the consent of Client. In addition, KPMG may engage independent contractors and member firms of KPMG International to assist KPMG in performing the services hereunder.

21. SEVERABILITY.

The provisions of the Terms and Conditions and the accompanying Proposal or Engagement Letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of the Terms and Conditions and the attached Proposal or Engagement Letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.

22. ENTIRE AGREEMENT.

The Terms and Conditions and the accompanying Proposal or Engagement Letter including, without limitation, Exhibits, constitute the entire agreement between KPMG and Client with respect to the engagement and supersede all other oral and written representation, understandings or agreements relating to the engagement.

23. GOVERNING LAW.

The Terms and Conditions and the accompanying Proposal or Engagement Letter shall be subject to and governed by the laws of the province in which KPMG's principal office performing the engagement is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province.

24. PUBLICITY.

Upon the closing of a transaction, KPMG will have the right (but shall not be obliged), at its expense, to publicize its association with the transaction by way of public announcement in "tombstone" or similar format, subject to prior review of the wording for any such announcement with Client.

25. KPMG INTERNATIONAL MEMBER FIRMS.

In the case of multi-firm engagements, all member firms of KPMG International performing services hereunder shall be entitled to the benefits of the Terms and Conditions. Client agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms.

26. SARBANES-OXLEY ACT.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's assessment of internal control over financial reporting or Client's evaluation of disclosure controls and procedures, or its compliance with its principal officer certification requirements under Section 302 of the *Sarbanes-Oxley Act of 2002* (the "Act"). The engagement shall not be construed to support Client's responsibilities under Section 404 of the Act requiring each annual report filed under Section 13(a) or 15(d) of the *Securities Exchange Act of 1934* to contain an internal control report from management.

27. NATIONAL INSTRUMENT 52-109.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's evaluation of disclosure controls and procedures, or its compliance with its CEO/CFO certification requirements under *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, including those related to the design of internal control over financial reporting.

28. SPECIFIC ACCOUNTING AND OTHER ADVICE.

Except as set forth in the Engagement Letter, the engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and facts and circumstances of Client. Such services, if requested, would be provided pursuant to a separate engagement. Client should consult with and/or engage legal counsel for the purpose of advising on legal aspects of matters on which KPMG provides its advice and drafting any legal documents and/or agreements that may be required. To the extent legal counsel or other professional service providers are required, Client is exclusively responsible for engaging and paying such service providers.



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

29. TAX SERVICES.

a. If tax work is specifically requested by Client, KPMG will perform the procedures in accordance with this section. KPMG will base its findings exclusively on the facts and assumptions provided to KPMG by Client and Client's personnel and advisors. KPMG will consider the applicable provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties and judicial and administrative interpretations thereof. KPMG will also take into account all specific proposals to amend such statutes, regulations and treaties publicly announced prior to the date of KPMG's reports, based on the assumption that these amendments will be enacted substantially as proposed. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of KPMG's findings and may result in incremental taxes, interest or penalties. KPMG's findings will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental or legislative action or interpretation. Unless Client specifically requests otherwise, KPMG will not update tax work to take any such changes into account.

b. KPMG will use professional judgment in providing advice, and will, unless Client instructs otherwise, take the position most favourable to Client whenever reasonable. All returns are subject to examination by tax authorities, and KPMG's advice may be audited and challenged by a tax authority. Client understands that KPMG's conclusions are not binding on tax authorities or the courts and should not be construed as a

representation, warranty or guarantee that the tax authorities or courts will agree with KPMG's conclusion.

c. Client is also responsible for ensuring that KPMG's advice is implemented strictly in accordance with KPMG's recommendations. KPMG is not responsible for any penalties or interest assessed against Client as a result of a failure by Client to provide KPMG with accurate and complete information.

d. Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by the CRA or other tax or revenue authorities.

30. LLP.

KPMG LLP is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the various Institutes/Ordre of Chartered Accountants. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

1 **TOPIC: Depreciation**

2

3 **REFERENCE: Tab 10 – Depreciation Study**

4

5 **PREAMBLE:**

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7 Experience and background of KPMG's depreciation personnel.

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9 **QUESTION:**

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11 a) Please provide for each person who prepared the depreciation study:

12

- Their curriculum vitae.

13

- Previous depreciation studies they have prepared and defended and in front of what courts or administration tribunals.

14

- Whether they are members of the Society of Depreciation Professionals (SDP).

15

- Whether they have attended any of the SDP Depreciation Courses or any other non-SDP Depreciation courses. Please provide the courses and content covered.

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- Whether they are Certified Depreciation Professionals certified by the SDP.

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21

22 **ANSWER:**

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24 **(a)**

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26 The curriculum vitae of the KPMG personnel who prepared the depreciation study for
27 YEC are provided as Attachment 1 to this response.

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The following is noted:

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- As evidenced in the curriculum vitae provided, these individuals have prepared and reviewed various depreciation studies for various clients in relation to financial reporting, tax, valuation studies, depreciation studies etc., including National Grid, AES, Sprint, Georgia Power, Qwest, CenturyTel, MetroPCS, and Equinix.

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- The KMPG engagement team are members of the SDP.

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- 1 • Several members of the KPMG engagement team have attended courses offered
2 by the SDP.
3
- 4 • The members of the KPMG engagement team are in the process of being
5 certified as Certified Depreciation Professionals by the SDP.



JAMES A. COOK

Manager

KPMG LLP
303 Peachtree St. Suite 2000
Atlanta, GA 30308

Tel 404-222-7607
Fax 404-506-9382
Cell 404-558-0150
jamesacook@kpmg.com

Function and Specialization

James is a member of the economic and valuation services ("EVS") practice specializing in tangible and intangible asset valuations.

Professional Associations

- ASA Candidate
- CCIM Candidate
- SDP Member

Languages

- English

Education, Licenses & Certifications

- MBA, Cornell University
- BS Electrical Engineering, Georgia Tech
- Private Pilot

Background

James joined KPMG in 2008 and is currently a manager in KPMG's EVS practice. Since joining KPMG, he has had significant experience across a broad range of projects including business combinations, joint ventures, real estate valuations, personal property valuations, depreciation studies, lease valuations, bankruptcy related valuations, impairment testing and other commercial valuations. Before KPMG, James worked briefly at an investment bank, Brooks, Houghton & Company, as a summer associate in 2007 while completing his MBA at Cornell University. Prior to that, James worked as an electrical engineer at the Naval Surface Warfare Center of Panama City, Florida.

Professional and Industry Experience

James has had broad industry experience including: semiconductor, electronics, technology, mining and exploration, utilities, off-shore wind, real estate, telecommunication, materials, automotive, financial, healthcare, retail and construction. James has supported business combinations under ASC 805 by both performing the necessary asset valuations and reviewing other appraisers' work. James has supported numerous management teams in testing their long-lived assets for impairment under ASC 360, as well as testing their company's goodwill for impairment under ASC 350. James has assisted companies emerging from bankruptcy with fair value opinions and accounting/tax related fresh start valuations. James has had significant experience with the valuation of leases for various purposes, such as purchase price allocations and ASC 840 (FAS 13) testing.

Examples of Past Assignments and Engagement Work

- Performed a valuation analysis of several chemical manufacturing facilities for tax purposes. The analysis was accepted by the IRS and resulted in significant tax savings for the client.
- Performed a pricing analysis for a potential joint venture related to the offshore wind energy industry.
- Served a key role in a fresh start valuation related to a major U.S. automotive company as it emerged from bankruptcy.
- Supported a mining and exploration client through a business combination and componentization exercise by providing guidance on accounting measures as well as developing comprehensive valuation models to value fleets of heavy construction and mining equipment.
- Assisted in the valuation of the intangible assets, personal property assets and real estate related to a major healthcare acquisition.
- Held a key role in the valuation of the leases, personal property and real estate for a printing/media company as it emerged from bankruptcy.
- Performed numerous valuation analyses relating to ASC 350 and ASC 360 impairment testing for clients across a broad range of industries. Multiple valuation methodologies and assumptions were considered in each project, with sensitivity analyses performed to support conclusions and provide insight for clients.
- Completed a 6 month rotation with the KPMG Corporate Finance practice in London, UK.



VIMAL K. PATEL
Principal

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Function and Specialization

Vimal leads our tangible asset practice in the Southwest region and specializes in valuations for financial reporting, tax reporting, and insurance proposes

Professional Associations

- Senior member, American Society of Appraisers
- Member, Society of Depreciation Professionals

Education, Licenses & Certifications

- MBA – Finance, Fordham University
- BS - Mechanical Engineering NYU-Polytechnic University

Background

Vimal Patel is a Principal in the Economic and Valuation Services Practice in Houston, Texas. He has been assisting clients for more than 16 years in connection with mergers, acquisitions, divestitures, joint ventures, corporate restructuring, and bankruptcy. His industry knowledge has involved a wide range of valuation assignments including: energy, telecommunications, automotive, high-tech, financial services, pharmaceutical, consumer and industrial products, and healthcare. The purpose of his engagements are related to financial reporting, fresh start accounting, fairness opinions, debt financing, privatization, depreciation studies, property tax, insurance replacement cost analyses, tax reporting, financing and sale leaseback. Mr. Patel has managed and conducted numerous multibillion dollar valuations and has a strong international background, having conducted valuations of assets for businesses located in Central and South America, Europe, the Middle East, Asia, and Australia.

Professional and Industry Experience

Prior to joining KPMG, Vimal was a Senior Director with Kroll Associates, Inc., where he developed and oversaw all operational, technical, and marketing functions for its global tangible asset valuation team. Prior to Kroll, Vimal led the tangible asset team in the South region of Standard & Poor's Corporate Value Consulting group (Formerly with Pricewaterhouse Coopers). He has significant industry expertise as a result of working as a senior project manager for KeySpan Energy, a multi-billion dollar energy company and also as an associate engineer for Brooklyn Union Gas Company.

- Fresh Start Accounting. Vimal has conducted numerous valuation engagements for clients emerging from bankruptcy, related to fresh start accounting. His experience in this sector relates specially to automotive, telecom, and energy industry.
- Reorganization. Vimal has conducted a valuation of a 5 billion dollar energy company's midstream and downstream North American assets in connection with reorganization.
- Private Equity Buyout. Vimal has provided financial advisory and valuation services to one of the top five domestic wireless companies with over eleven billion dollars of assets through out the United States.
- International Financial and Tax Reporting. Vimal has performed a valuation of assets acquired by a large international power generation portfolio that included twelve projects, including forty-five power plants located in the United Kingdom, Italy, Spain, Portugal, Puerto Rico, the Philippines and Australia.
- General Business Planning. Vimal has conducted a valuation of Croatia's entire telecom network, which included fixed line, cellular and paging network systems.
- Property Insurance Placement. Vimal has determined the insurable replacement cost of multi-billion dollar refineries, petrochemical complexes, and E&P assets around the world for property placement purposes to support insurance policy underwriting.



BRIAN T. ZIMMERMAN

Manager

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Function and Specialization

Brian specializes in the valuation of Real and Personal Property.

Representative Clients

- International Paper
- Rock-Tenn Company
- ABB
- General Motors Corp.
- BBVA Compass Bank
- CVS Caremark
- Barclays
- Morgan Stanley

Professional Associations

- American Society of Appraisers – Candidate Member
- Society of Depreciation Professionals – Member

Languages

English (Native), Spanish (Conversational)

Education, Licenses & Certifications

- Shippensburg University of Pennsylvania – BS Finance (Management) '06
- Completed American Society of Appraisers Classes: ME201, ME202, ME203, ME204, and ME206.

Background

Brian joined KPMG in 2008 and is currently a Manager in KPMG's Economic & Valuation Services (EVS) practice. Brian has over 6 years of experience performing a broad range of valuation services including: business combinations, joint ventures, real estate valuations, personal property valuations, lease valuations, SAS 73/101 reviews, depreciation studies, bankruptcy related valuations, impairment testing and other commercial valuations.

Prior to joining KPMG, Brian was an Associate at Marshall & Stevens Inc. in their Capital Asset Valuation group where he primarily performed tangible asset valuations.

Professional and Industry Experience

Brian has extensive experience in performing purchase price allocations for both GAAP and IFRS. He has also performed work in compliance with Accounting Standard Codification Topics 805, 310, 350, 360, and SAS 73/101 reviews.

His knowledge spans a wide range of industries and his experience includes projects with international valuation components.

Technical Skills and Recent Projects

- Built and applied financial models to analyze and prepare the fair values of the client's assets.
- Performed valuation analysis using comparable company, comparable transaction, direct and indirect cost approaches, and discounted cash flow analyses.
- Performed several "green-field" replacement cost analyses in the, pulp and paper, automotive, converting, mining, oil and gas, utility, and chemical industries.
- Developed tangible asset values for portfolios of pulp and paper mills and corrugated container/converting facilities.
- Served a key role in a fresh start valuation related to a major U.S. automotive company as it emerged from bankruptcy.
- Completed tangible asset pricing analyses for major soft drink bottling company.

Other Activities

- Brian is involved with Bowling for Kid's Sake to help raise money for less fortunate children.
- Brian is involved with the First Tee Program which promotes the game of golf to less fortunate children.
- Brian is involved with the Boys School at Fitzsimmons which he serves as a mentor to 11th grade students interested in the Finance and Accounting industries.



JOHN D. MCMANN, ASA

Senior Manager

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Function and Specialization

John McMann is a senior manager with the Economic and Valuation Services Practice of KPMG LLP. He specializes in personal and real property valuation.

Representative Clients

AES Corporation
Southern Company
Dynegy
Mirant
RRI Energy Inc.

Professional Associations

The American Society of Appraisers (ASA)
The Appraisal Institute
Society of Depreciation Professionals
CCIM Institute
Royal Institute of Chartered Surveyors
Association for the Advancement of Cost
Engineering International

Languages

English

Education, Licenses & Certifications

Bachelors of Arts, Emory University
Masters of Science in Real Estate, Georgia
State University
Accredited Senior Member of the ASA in
Machinery and Technical Specialties
Registered Real Estate Appraiser in the State
of Georgia

Background

Prior to joining KPMG in 2007, John was employed for five years by an international valuation firm where he specialized in tangible asset valuation.

Professional and Industry Experience

Mr. McMann has over ten years of valuation experience, in which he has advised clients on tangible asset valuation matters in a wide-range of transactions. Mr. McMann has conducted tangible asset valuations and SAS reviews of personal and real property for compliance with SFAS 114, 141, 142, 143, 144, GASB 34, IFRS 3, fresh start accounting, liability estimation, depreciation studies, and internal management planning. He has also provided valuation services for insurance studies, property tax appeals, fixed asset management, and Sarbanes Oxley compliance.

- Extensive personal property valuation experience in the mining, oil and gas, power generation, chemical manufacturing, building materials, general manufacturing, food manufacturing, and pulp and paper industries.
- Real property experience includes valuations and reviews of industrial properties, retail centers, healthcare facilities, hotels/resorts, residential properties, development projects, and subdivisions.
- International valuation experience includes Brazil, Bulgaria, Canada, Chile, England, France, Germany, India, Korea, the Netherlands, Peru, Poland, Taiwan, and Thailand.