

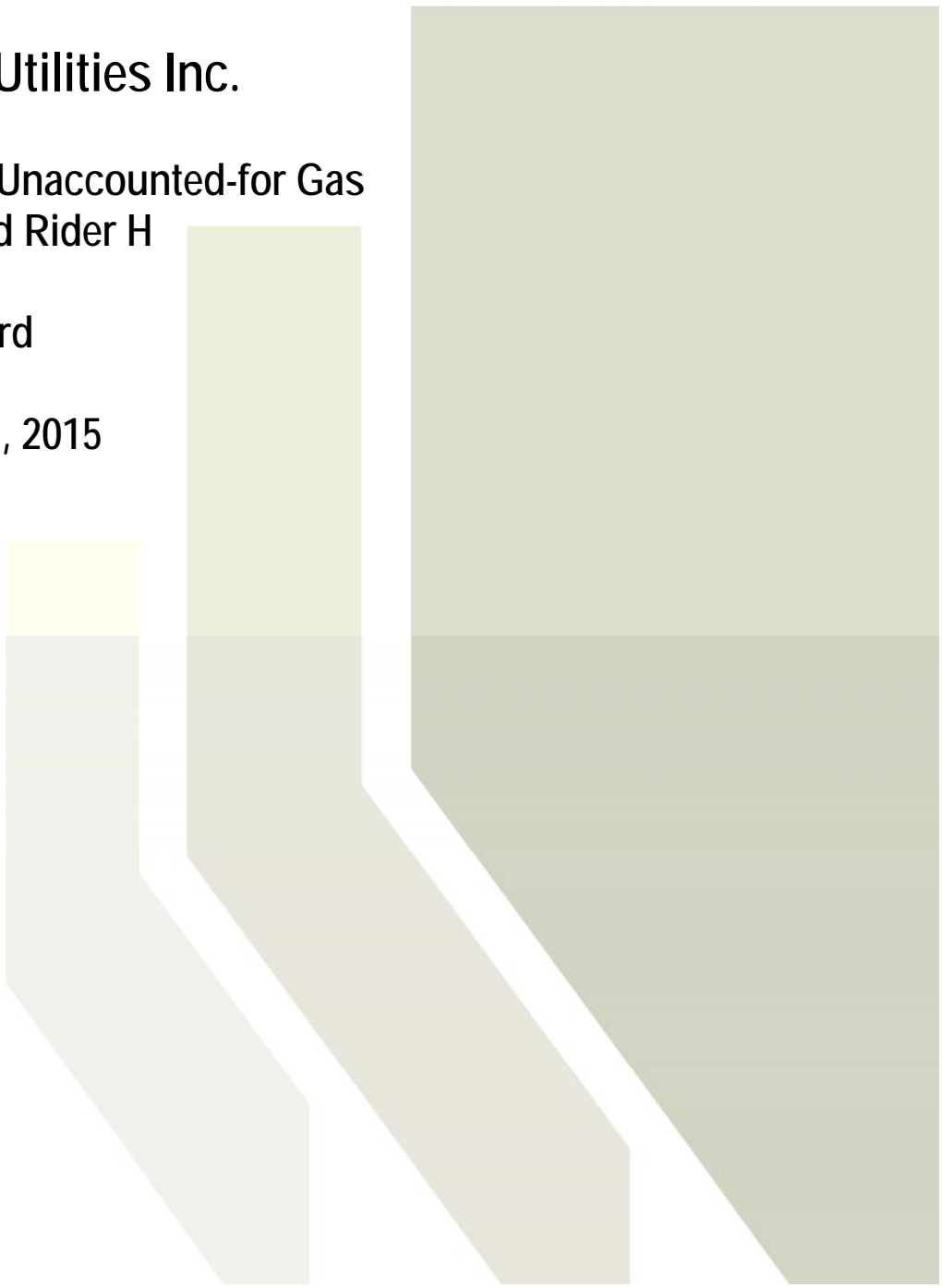


AltaGas Utilities Inc.

2014-2015 Unaccounted-for Gas
Rider E and Rider H

Costs Award

January 29, 2015



The Alberta Utilities Commission
Decision 3508-D01-2015: AltaGas Utilities Inc.
2014-2015 Unaccounted-for Gas Rider E and Rider H
Costs Award
Proceeding 3508

January 29, 2015

Published by

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1 Introduction

1. On August 8, 2014, AltaGas Utilities Inc. (AltaGas) submitted an application to the Alberta Utilities Commission (AUC or Commission) requesting approval for annual adjustments to its unaccounted-for gas rate riders E and H, effective November 1, 2014. AltaGas proposed Rate Rider E be increased to 1.31 per cent from 1.28 per cent, and Rate Rider H be increased to 1.33 per cent from 1.30 per cent. The Commission assigned Application 1610779 and Proceeding 3369 to the application.
2. On August 12, 2014, the Commission issued a notice of the application and advised interested parties who wished to intervene in the proceeding to submit a statement of intent to participate (SIP) to the Commission by August 22, 2014.
3. The Commission received SIPs from ATCO Gas and Pipelines Ltd. and the Consumers' Coalition of Alberta (CCA). The CCA requested a written process including information requests and the filing of argument and reply argument. ATCO Gas and Pipelines Ltd. stated that it would monitor the proceeding only.
4. On August 26, 2014, the Commission established a written process schedule for the application and determined the deadlines for filing of information requests (IRs), responses to IRs, argument, and reply argument.
5. On September 25, 2014, after the filing of responses to IRs, the CCA submitted that it had no further comments or argument on the application. AltaGas stated that it did not intend to file argument and recommended that the record of the proceeding be closed.
6. In a September 30, 2014 letter, the Commission informed registered parties that it considered the close of record for the proceeding to be September 30, 2014.
7. On October 22, 2014, the Commission issued Decision [2014-291](#),¹ approving increases to Rider E and Rider H, as filed.
8. On November 3, 2014, the Commission received a costs claim application from the CCA with respect to costs incurred related to its participation in the proceeding. The Commission assigned Application 1610978 and Proceeding 3508 to deal with the costs claim application.
9. The Commission circulated a summary of costs claimed to interested parties on November 6, 2014, and requested parties make comments regarding the figures listed in the

¹ Decision 2014-291: AltaGas Utilities Inc., 2014-2015 Unaccounted-for Gas Rider E and Rider H, Application No. 1610779, Proceeding No. 3369, October 22, 2014.

summary, or the merits of the costs claimed, by November 15, 2014. No comments were received with respect to the summary of costs.

10. The Commission considers November 15, 2014, to be the close of record for the costs proceeding.

2 Commission's authority to award costs

11. When assessing costs claims pursuant to Section 21 of the *Alberta Utilities Commission Act*, SA 2007, c. A-37.2, the Commission applies AUC [Rule 022: Rules on Intervener Costs in Utility Rate Proceedings](#) (AUC Rule 022). Appendix A of AUC Rule 022 also prescribes a *Scale of Costs* applicable to all costs claimed.

12. In exercising its discretion to award costs, the Commission will, in accordance with Section 11 of AUC Rule 022, consider whether an eligible participant's costs are reasonable and directly and necessarily related to the proceeding; and whether the eligible participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Commission. The Commission will be mindful of a participant's willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.

13. As the costs of a utility proceeding are generally passed on to customers, it is the Commission's duty to ensure that the customers receive fair value for a party's contribution. The Commission only approves those costs that are reasonable and directly and necessarily related to the party's participation in the proceeding.

3 Commission findings

3.1 Consumers' Coalition of Alberta

14. The CCA submitted a costs claim for recovery of costs paid in the total amount of \$2,777.25. The costs claim requested approval of the following legal and consulting fees:

- \$367.50 for Wachowich & Company, comprised of legal fees of \$350.00 and GST of \$17.50; and
- \$2,409.75 for Regulatory Services Inc. comprised of consulting fees of \$2,295.00 and GST of \$114.75.

15. The claim for Wachowich & Company relates to one hour of legal services incurred in preparation and review of the SIP, and review of the application and IRs.

16. The Commission has reviewed the costs claim and finds that the hours incurred for legal related work are reasonable given the tasks described and that the costs incurred are in accordance with the *Scale of Costs*. Accordingly, the Commission approves total recovery of legal fees for Wachowich & Company in the amount of \$367.50, which is comprised of \$350.00 in fees and GST of \$17.50.

17. The claim for Regulatory Services Inc. relates to 9.0 hours for consulting services incurred in preparation and review of the application, review of IRs, and preparation of other correspondence related to the proceeding.

18. The Commission finds that the hours incurred are reasonable given the tasks described for consulting services and that the costs incurred are in accordance with the *Scale of Costs*. The Commission approves total recovery of consulting fees for Regulatory Services Inc. in the amount of \$2,409.75, which is comprised of \$2,295.00 in fees and GST of \$114.75.

19. Accordingly, the Commission approves recovery of the CCA's costs claim in the total amount of \$2,777.25.

4 GST

20. In accordance with the Commission's treatment of GST on cost awards, AltaGas is required to pay only that portion of GST paid by interveners that may not be recoverable through the GST credit mechanism. Accordingly, the Commission approves the eligible GST in the amount of \$132.25.

21. The Commission emphasizes that its treatment of the GST claimed in no way relieves participants or their consultants from their GST obligations pursuant to the *Excise Tax Act*, RSC 1985, c. E-15.

5 Order

28. It is hereby ordered that:

AltaGas Utilities Inc. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$2,777.25.

Dated on January 29, 2015.

Alberta Utilities Commission

(Original signed by)

Mark Kolesar
Vice-Chair