



ATCO Gas and Pipelines Ltd.

2015 Annual PBR Rate Adjustment Filing

Costs Award

March 24, 2015

The Alberta Utilities Commission
Decision 3595-D01-2015: ATCO Gas and Pipelines Ltd.
2015 Annual PBR Rate Adjustment Filing
Costs Award
Proceeding 3595

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The Alberta Utilities Commission
Fifth Avenue Place, Fourth Floor, 425 First Street S.W.
Calgary, Alberta
T2P 3L8

Telephone: 403-592-8845
Fax: 403-592-4406

Web site: www.auc.ab.ca

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1 Introduction

1. On September 10, 2014, ATCO Gas and Pipelines Ltd. (ATCO Gas) submitted its 2015 annual performance-based regulation (PBR) rate adjustment filing application with the Alberta Utilities Commission requesting approval of its North and South Rate Schedules to be effective January 1, 2015 (2015 PBR rate adjustment filing application). The Commission assigned Application 1610837 and Proceeding 3407 to the 2015 PBR rate adjustment filing application.
2. In the same application, ATCO Gas also requested approval of its terms and conditions for distribution access service and its terms and conditions for distribution service connections, including Schedule C charges, effective January 1, 2015.
3. The Commission issued notice of the 2015 PBR rate adjustment filing application on September 11, 2014 and requested interested parties who wished to intervene in the proceeding to submit a statement of intent to participate (SIP) to the Commission by September 18, 2014.
4. The Commission received SIPs from FortisAlberta Inc., the Office of the Utilities Consumer Advocate, EPCOR Distribution & Transmission Inc., AltaLink Management Ltd., ATCO Electric Ltd., the Consumers' Coalition of Alberta (CCA), and The City of Calgary.
5. On September 19, 2014, the Commission determined that the application would be considered by way of a minimal written process and established a schedule for dealing with the application.
6. The Commission considered the record with respect to the 2015 PBR rate adjustment application to have closed on November 14, 2014.
7. On December 19, 2014, the Commission issued Decision [2014-363](#)¹ with respect to ATCO Gas' 2015 PBR Rate adjustment application.
8. On December 18, 2014, the CCA submitted its costs claim application with respect to the 2015 PBR rate adjustment application. The Commission assigned Application 1611101 and Proceeding 3595 to the costs claim application.
9. The Commission circulated a summary of costs claimed to interested parties on December 22, 2014, and requested comments regarding the figures listed in the summary, or on the merits of the costs claimed, by December 31, 2014. No comments were received from parties regarding the circulated summary of costs claimed.

¹ Decision 2014-363: ATCO Gas and Pipelines Ltd. 2015 Annual PBR Rate Adjustment Filing. Application 1610837, Proceeding 3407, December 19, 2014.

10. The Commission considers close of record for this costs proceeding to be December 31, 2014.

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 \$13,515.60. The costs claim requested approval for recovery of the following legal and consulting fees:

- \$2,572.50 for Wachowich & Company, composed of legal fees of \$2,450.00 and GST of \$122.50; and
- \$10,943.10 for Regulatory Services Inc., composed of consulting fees of \$10,422.00, and GST of \$521.10.

15. The claim for Wachowich & Company relates to 7.0 hours of legal services performed by Mr. James Wachowich at a rate of \$350.00 per hour, exclusive of GST. The hours claimed include 5.25 hours for review of the 2015 PBR rate adjustment application, drafting and review of correspondence, and 1.75 hours for preparation of argument and reply argument.

16. The Commission has assessed the costs claim and finds that the hours incurred for legal services are reasonable given the tasks described in the costs application and finds that the costs incurred are in accordance with the *Scale of Costs*. The Commission therefore, approves recovery of legal fees for Wachowich & Company in the total amount of \$2,572.50 which is composed of \$2,450.00 in legal fees and GST of \$122.50.

17. The claim for Regulatory Services Inc. relates to 38.6 hours for consulting services performed by Mr. Jeff Jodoin at a rate of \$270.00 per hour, exclusive of GST. The hours claimed

included 24.6 hours for review of the application, preparation of information requests and review of IR responses, review of proceeding materials, and 14.0 hours for the preparation of argument.

18. In reviewing the summary of claimed costs as it pertains to services provided by Regulatory Services Inc., the Commission notes that 22.5 hours of the time recorded, attributed to the following subjects, was mistakenly included in the CCA's claim:

- AG Capital Tracker Review Application Draft Issues List (6.0 hours)
- AG Capital Tracker Draft IRs (2.5 hours)
- AG Capital Tracker Argument (13.5 hours)
- AG Capital Tracker Reply (0.5 hours)

19. The Commission has, therefore, removed costs totalling \$6,075.00 (exclusive of GST) from the total amount claimed for recovery by the CCA on account of services rendered by Regulatory Services Inc. The resulting revised breakdown of costs claimed on account of 24.1 hours of consulting services rendered is: 1.5 hours for review of the application, 7.0 hours for preparation of information requests and review of IR responses, 6.0 hours for preparation of argument and reply, and 1.6 hours for correspondence.

20. The Commission has assessed the remainder of the costs claimed in respect of consulting services provided by Regulatory Services Inc., and finds that the consulting hours incurred are reasonable given the tasks described in the costs claim application. The Commission also finds that the costs incurred are in accordance with the *Scale of Costs*. The Commission therefore, approves recovery of consulting fees for Regulatory Services Inc. in the total amount of \$4,564.35 which includes \$4,347.00 in consulting fees and GST of \$217.35.

21. Accordingly, the Commission approves recovery of the CCA's costs claim in the total amount of \$7,136.85

4 GST

22. In accordance with the Commission's treatment of GST on cost awards, ATCO Gas 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 \$339.85.

23. 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*, R.S.C. 1985, c. E-15.

5 Order

24. It is hereby ordered that:

- 1) ATCO Gas and Pipelines Ltd. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$7,136.85.

Dated on March 24, 2015

Alberta Utilities Commission

(Original signed by)

Mark Kolesar
Vice-Chair

(Original Signed by)

Bill Lyttle
Commission Member

(Original Signed by)

Neil Jamieson
Commission Member