



**ATCO Pipelines, a division of
ATCO Gas and Pipelines Ltd.**

2015 Interim Revenue Requirement

Costs Award

May 20, 2015

Alberta Utilities Commission

Decision 20207-D01-2015: ATCO Pipelines, a division of
ATCO Gas and Pipelines Ltd.

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Proceeding 20207

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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. ATCO Pipelines (AP), a division of ATCO Gas and Pipelines Ltd., filed an application (the application) with the Alberta Utilities Commission on December 17, 2014, requesting approval of a monthly fixed fee, on an interim basis, of \$17,724,000 per month, effective January 1, 2015. The requested interim revenue requirement reflected 100 per cent of AP's forecast 2015 revenue requirement of \$214.7 million. The Commission assigned Proceeding 3586 and Application 1611091-1 to the application.

2. On December 18, 2014, the Commission issued a notice of application directing interested parties to provide submissions outlining any concerns or objections to the application or indicating support for the application, by December 24, 2014. The Commission received submissions from the Consumers' Coalition of Alberta (CCA), the City of Calgary, Encana Corporation, Nova Gas Transmission Ltd. and the Office of the Utilities Consumer Advocate.

3. In a letter dated December 29, 2014, the Commission established a written process for the application, which involved process steps of information requests (IRs), responses to IRs, argument and reply argument.

4. The Commission considered the close of record with respect to the application to be February 5, 2015.

5. On March 3, 2015, ATCO Pipelines submitted its costs claim application and on March 4, 2015, the CCA submitted its costs claim application to the Commission. The Commission assigned Proceeding 20207 as well as Application 20207-A001 to ATCO Pipelines' costs claim application and Application 20207-A002 to the CCA's costs claim application.

6. The Commission circulated a summary of the costs claimed to interested parties on March 6, 2015, and requested comments regarding the figures listed in the summary, or the merits of the costs claimed, by March 19, 2015.

7. On March 9, 2015, ATCO Pipelines submitted an amended costs claim application and the Commission issued a revised summary of costs. The date for comments on the costs claimed remained March 19, 2015. No comments were received with regard to the summary of costs or revised summary of costs.

8. On March 24, 2015, the Commission issued Decision [3586-D01-2015](#),¹ which approved a 2015 interim revenue requirement of 60 per cent of ATCO Pipelines' 2015 forecast revenue requirement, effective April 1, 2015.

¹ Decision 3586-D01-2015: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. 2015 Interim Revenue Requirement, Proceeding 3586, Application 1611091-1, March 24, 2015.

9. The Commission considers the close of record for this costs proceeding to be March 19, 2015.

2 Commission's authority to award costs

10. 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.

11. 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.

12. 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 ATCO Pipelines

13. ATCO Pipelines originally claimed costs for legal services provided by Bennett Jones LLP in the total amount of \$9,905.00 and disbursements of \$1.80 for photocopying. In the ATCO Pipelines March 9, 2015 amended costs claim, it indicated that it received an additional invoice from Bennett Jones LLP and the total amount for legal services was revised to \$13,720.00 with disbursements for photocopying of \$1.80.

3.1.1 Bennett Jones LLP

14. The amended costs claimed for Bennett Jones LLP relates to 39.20 hours of legal services provided by Mr. Nick Gretener. The hours claimed include 25.00 hours for preparation of the application and IR responses; and 14.20 hours for preparation of argument and reply argument.

15. The Commission has assessed the costs claim for legal fees and finds that the hours incurred are reasonable given the tasks described in the costs application and also finds that the costs incurred are in accordance with the *Scale of Costs*. The Commission also approves the costs claimed for photocopying in the amount of \$1.80.

16. Accordingly, the Commission approves recovery of legal costs for Bennett Jones LLP in the total amount of \$13,721.80 which is comprised of \$13,720.00 in legal fees and \$1.80 in disbursements.

3.2 Consumers' Coalition of Alberta

17. The CCA submitted a costs claim for recovery of costs paid in the total amount of \$11,013.35. The costs claim requested approval of the following legal and consulting fees:

- \$1,617.00 for Wachowich & Company, comprised of legal fees of \$1,540.00 and GST of \$77.00; and
- \$9,396.35 for Regulatory Services Inc., comprised of consulting fees of \$8,910.00, disbursements of \$38.90 and GST of \$447.45.

3.2.1 Wachowich & Company

18. The claim for Wachowich & Company relates to 4.40 hours of legal services. The hours claimed include 3.20 hours for review of the application, drafting of IRs and review of IR responses; and 1.20 hours for preparation of argument and reply argument.

19. The Commission has assessed the costs claim for legal fees and finds that the hours incurred are reasonable given the tasks described in the costs application and the costs incurred are in accordance with the *Scale of Costs*.

20. Accordingly, the Commission approves recovery of legal fees for Wachowich & Company in the total amount of \$1,617.00 which is comprised of \$1,540.00 in legal fees and GST of \$77.00.

3.2.2 Regulatory Services Inc.

21. The claim for Regulatory Services Inc. relates to 33.00 hours of consulting services performed by Mr. Jeff Jodoin. The hours claimed for Mr. Jodoin included 21.00 hours for review of the application, preparation of IRs, review of IR responses; and 12.00 hours for preparation of argument.

22. The Commission has assessed the costs claim for 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 and finds the costs are in accordance with the *Scale of Costs*. The Commission also approves the claim for photocopying in the amount of \$38.90. The Commission approves recovery of consulting costs for Regulatory Services Inc. in the total amount of \$9,396.35 which includes \$8,910.00 in consulting fees, \$38.90 in disbursements and GST of \$447.45.

23. Accordingly, the Commission approves recovery of the costs claimed for the CCA in the total amount of \$11,013.35, which is comprised of \$1,540.00 in legal fees, \$8,910.00 in consulting fees, \$38.90 in disbursements and GST of \$524.45

4 GST

24. In accordance with the Commission's treatment of GST on cost awards, ATCO Pipelines 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 \$524.45.

25. 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

26. It is hereby ordered that:

- (1) ATCO Gas and Pipelines Ltd. shall pay external costs in the amount of \$13,721.80 to Bennett Jones LLP.
- (2) ATCO Gas and Pipelines Ltd. shall pay intervener costs in the amount of \$11,013.35 to the Consumers' Coalition of Alberta.
- (3) ATCO Gas and Pipelines Ltd. shall record the approved costs in its Hearing Costs Reserve Account in the total amount of \$24,735.15.

Dated on May 20, 2015.

Alberta Utilities Commission

(Original signed by)

Mark Kolesar
Vice-Chair