



AltaGas Utilities Inc.

**2014 Capital Tracker True-Up and
2016-2017 Capital Tracker**

Costs Award

February 17, 2016

Alberta Utilities Commission

Decision 21073-D01-2016: AltaGas Utilities Inc.

2014 Capital Tracker True-Up and 2016-2017 Capital Tracker Application

Costs Award

Proceeding 21073

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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

Website: www.auc.ab.ca

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1 Introduction

1. On June 4, and June 5, 2015, AltaGas Utilities Inc. (AltaGas) filed its 2014 capital tracker true-up and 2016-2017 capital tracker forecast application with the Alberta Utilities Commission (capital tracker application).
2. On June 5, 2015, the Commission issued a filing announcement and a notice for the capital tracker application, with statements of intent to participate (SIPs) due June 11, 2015. The Commission received SIPs by the specified deadline date from the Consumers' Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA).
3. By letter dated June 12, 2015, the Commission issued a process letter that included information requests (IRs), intervenor evidence, IRs on intervenor evidence, rebuttal evidence, an oral hearing, argument and reply argument.
4. A technical meeting was held by AltaGas on June 23, 2015 to advance parties' understanding of the capital tracker application.
5. By letter dated August 19, 2015, the Commission requested parties' input on whether there was a continuing need for an oral hearing scheduled to commence September 28, 2015. In response to the Commission's letter, submissions were received from AltaGas and the UCA. In their submissions, these parties were unable to state definitively that the oral hearing would not be required because the deadlines for interrogatories on the intervenor evidence and rebuttal evidence had not yet come due.
6. Subsequently, by letter dated August 27, 2015, AltaGas advised that it would not be filing information requests on the evidence submitted by the UCA nor would it be submitting rebuttal evidence. In its letter, AltaGas also submitted that there was sufficient evidence on the record and an oral hearing was not required, and requested that the Commission dispense with the oral hearing and proceed directly to written argument and reply argument. AltaGas suggested September 30, 2015 for argument and October 23, 2015, for reply argument.
7. By letter dated August 31, 2015, the UCA agreed that a written process would be sufficient to complete the record of the capital tracker application proceeding and accepted AltaGas' proposed dates for argument and reply. The Commission also received an email from counsel for the CCA supporting the dates for argument and reply argument suggested by AltaGas.

8. By letter dated September 2, 2015, the Commission determined that an oral hearing was not required and advanced the dates for argument and reply argument to the dates suggest by AltaGas and agreed to by parties.
9. The record of the capital tracker application proceeding closed on October 23, 2015 with the filing of reply argument.
10. On November 23, 2015, the Commission received a costs application from the CCA. The CCA requested recovery of costs incurred in respect of the capital tracker application. The Commission assigned Proceeding 21073 and application 21073-A001 to the costs claim application.
11. The Commission circulated a summary of the CCA's costs claimed to interested parties on November 24, 2015, and requested comments regarding the figures listed in the summary, or the merits of the costs claimed, by December 8, 2015. No comments were received.
12. The close of record for this costs claim proceeding was December 8, 2015.
13. On January 21, 2016, the Commission issued Decision 20522-D02-2016¹ with respect to the capital tracker application.

2 Commission's authority to award costs

14. 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 Costs in Utility Rate Proceedings*. Appendix A of Rule 022 also prescribes a *Scale of Costs* applicable to all costs claimed.
15. In exercising its discretion to award costs, the Commission will, in accordance with Section 11 of 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.
16. 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.

¹ Decision 20522-D02-2016: AltaGas Utilities Inc. 2014 Capital Tracker True-Up and 2016-2017 Capital Tracker Forecast Application, Proceeding 20522, January 21, 2016.

3 Commission Findings

3.1 Consumers' Coalition of Alberta

17. The CCA submitted a costs claim for recovery of costs paid in the total amount of \$32,810.90. The costs claim requested approval for recovery of the following legal and consulting costs:

- \$6,412.88 for Wachowich & Company, comprising legal fees of \$6,107.50 and GST of \$305.38.
- \$26,398.03 for Regulatory Services Inc., comprising consulting fees of \$25,029.00, disbursements of \$111.98 and GST of \$1,257.05.

18. The CCA addressed the following issues in its intervention in the capital tracker proceeding:

- capital programs,
- income tax effects,
- station estimating and refurbishments,
- proposed 2013 adjustments,
- non-certified PE program,
- 2013 projects not approved in Decision 2014-373
- Barrhead/Westlock/Morinville Natural Gas Supply, and
- overhead costs

Wachowich & Company

19. The claim for Wachowich & Company relates to 17.45 hours of legal services performed by Mr. James Wachowich. The hours claimed include 13.35 for preparation activities and 4.10 hours for preparation of the final argument. The activities included legal services provided in connection with the review of information requests and responses, coordination of intervention with counsel for the UCA, review of CCA evidence and preparation and finalization of argument submissions.

20. The Commission has assessed the costs claim for legal services for Wachowich & Company and finds that the tasks described and hours claimed are reasonable, directly and necessarily related to the proceeding and in accordance with the *Scale of Costs*.

21. The Commission, therefore, approves the claim for legal services in the total amount of \$6,412.88, which is composed of legal fees of \$6,107.50 and GST of \$305.38.

Regulatory Services Inc.

22. The claim for Regulatory Services Inc. relates to 92.70 hours of consulting services provided by Mr. Jeffrey Jodoin. The hours claimed include 79.60 for review of the application, participating in a technical meeting to discuss the application, preparation of IRs and review of IR responses; and 13.1 hours for drafting the written argument, reviewing AUI argument and assessing the need for a reply argument.

23. The Commission has assessed the costs claim for consultant fees for Regulatory Services Inc. and finds that the tasks described and hours claimed are reasonable, directly and necessarily related to the proceeding and in accordance with the *Scale of Costs*. The Commission also finds the disbursement claimed for mileage and photocopying to be reasonable and in accordance with the *Scale of Costs*.

4 GST

24. 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 \$1,562.43.

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

5 Order

26. It is hereby ordered that:

- 1) AltaGas Utilities Inc. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$32,810.90.

Dated on February 17, 2016.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member

(Original Signed by)

Henry van Egteren
Commission Member

(Original signed by)

Kate Coolidge
Acting Commission Member