



## **AltaGas Utilities Inc.**

### **2015-2016 Unaccounted-for Gas Rate Rider E and Rate Rider H**

**Costs Award**

**February 19, 2016**



**Alberta Utilities Commission**

Decision 21139-D01-2016: AltaGas Utilities Inc.

2015-2016 Unaccounted-for Gas Rate Rider E and Rate Rider H  
Costs Award

Proceeding 21139

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## Contents

<b>1</b>	<b>Introduction.....</b>	<b>1</b>
<b>2</b>	<b>Commission’s authority to award costs .....</b>	<b>2</b>
<b>3</b>	<b>Commission findings.....</b>	<b>2</b>
	<b>3.1 Consumers’ Coalition of Alberta .....</b>	<b>2</b>
<b>4</b>	<b>GST.....</b>	<b>3</b>
<b>5</b>	<b>Order .....</b>	<b>4</b>

## **1 Introduction**

1. On September 8, 2015, AltaGas Utilities Inc. (AltaGas) submitted an application to the Alberta Utilities Commission requesting approval for the annual adjustment to its unaccounted-for gas (UFG) rate riders E and H, effective December 1, 2015 (UFG application). AltaGas proposed Rider E be reduced from 1.31 per cent to 1.30 per cent, and Rider H be reduced from 1.33 per cent to 1.31 per cent.<sup>1</sup> The Commission assigned Proceeding 20806 and Application 20806-A001 to the UFG application.

2. On September 9, 2015, the Commission issued a notice of application that required interested parties to submit a statement of intent to participate (SIP) by September 16, 2015. The Commission received a SIP from the Consumers' Coalition of Alberta (CCA). The CCA requested the opportunity to test the application with a process of written information requests.

3. Based on its review of the UFG application and the SIP, the Commission issued a process letter on September 22, 2015 which advised that the application would be considered by way of a basic written process, which included information requests and responses as well as a process step for parties to comment on any need for argument.<sup>2</sup>

4. Information requests and information responses were filed in accordance with the process schedule. On October 14, 2015, AltaGas and the CCA filed their comments on the need for further process. AltaGas submitted that there was sufficient information on the record to enable the Commission to fully assess the application and requested that the Commission dispense with argument and reply argument. The CCA submitted that the record was complete and the matter should proceed to argument and reply argument.

5. By letter dated October 19, 2015, the Commission determined that process steps for argument and reply argument would be added to the proceeding. The deadlines were set as October 26, 2015, and November 2, 2015, respectively.

6. AltaGas and the CCA filed argument in accordance with the process schedule established. On November 2, 2016, AltaGas filed its reply argument and the CCA filed correspondence indicating that it did not have any reply argument. The Commission considered the record for the UFG application to have closed on November 2, 2015.

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<sup>1</sup> Exhibits 20806-X0001 and X0002.

<sup>2</sup> Exhibit 20806-X0007.

7. On November 23, 2015, the Commission issued Decision 20806-D01-2016<sup>3</sup> with respect to the UFG application.

8. The CCA submitted a costs claim application to the Commission on December 4, 2015. The Commission assigned Proceeding 21139 and Application 21139-A001 to the costs claim application.

9. The Commission circulated a summary of costs claimed to interested parties on December 9, 2015, and requested comments regarding the figures listed in the summary, or on the merits of the costs claimed, by December 23, 2015. No comments were received.

10. The Commission considers the close of record for this costs claim proceeding to be December 23, 2015.

## **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 Costs in Utility Rate Proceedings*. Appendix A of Rule 022 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 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 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 \$7,295.83. The costs claim requested approval for recovery of the following legal and consulting costs:

- \$1,120.88 for Wachowich & Company, comprising legal fees of \$1,067.50 and GST of \$53.38.
- \$6,174.95 for Regulatory Services Inc., comprising consulting fees of \$5,859.00, disbursements of \$21.90, and GST of \$294.05.

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<sup>3</sup> Decision 20806-D01-2016: AltaGas Utilities Inc., 2015-2016 Unaccounted-for Gas Rate Rider E and Rate Rider H, Proceeding 20806, Application 20806-A001, November 23, 2015.

### **Wachowich & Company**

15. The claim for Wachowich & Company relates to 3.05 hours of legal services performed by Mr. James Wachowich. The hours claimed relate to 2.05 hours for preparation and 1.00 hour for argument and reply argument.

16. The Commission has assessed the costs claim for legal services for Wacowich & 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*.

17. Accordingly, the Commission approves the claim for legal services in the total amount of \$1,120.88, which is composed of legal fees of \$1,067.50 and GST of \$53.38.

### **Regulatory Services Inc.**

18. The claim for Regulatory Services Inc. relates to 21.70 hours for consulting services performed by Mr. Jeffrey Jodoin. The hours claimed for Mr. Jodoin relate to 17.40 hours for review of the application, preparation of information requests and review of information responses, and 4.30 hours for drafting the CCA's argument and assessing the need for reply argument.

19. The Commission has assessed the costs claim for consulting services for Regulatory Services Inc. and finds that the tasks described and hours claimed are not commensurate with the activities performed by Regulatory Services Inc., including the hours claimed for review of the application, compilation of information requests, and preparation of argument. The Commission observes that the CCA had four information requests with several subparts, and filed a five page argument, a portion of which suggested the need for additional data to monitor AltaGas's UFG. The Commission determined the need for the additional data to be unnecessary. The Commission considers the recorded hours to be excessive in light of the extent of the CCA's participation in the proceeding and will reduce the costs claim for Regulatory Services Inc. by 25 per cent. The Commission approves costs for Regulatory Services Inc. in the amount of \$4,394.25 and GST of \$219.72. The costs claimed are in accordance with the *Scale of Costs*. The Commission finds the disbursements claimed for internal photocopying to be reasonable and in accordance with the *Scale of Costs*.

20. Accordingly, the Commission approves the claim for consulting services in the total amount of \$4,636.97, which is composed of professional fees of \$4,394.25, disbursements in the amount of \$21.90 and GST of \$220.82.

### **Total costs claimed**

21. Based on the foregoing, the Commission approves recovery of the CCA's costs claim in the total amount of \$5,757.85, which is composed of \$1,067.50 in legal fees, \$4,394.25 in consulting fees, \$21.90 in disbursements and GST of \$274.20.

### **4 GST**

22. 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 \$274.20.

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*, RSC 1985, c E-15.

## **5 Order**

24. It is hereby ordered that:

- 1) AltaGas Utilities Inc. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$5,757.85.

Dated on February 19, 2016.

**Alberta Utilities Commission**

*(original signed by)*

Mark Kolesar  
Vice-Chair