



AUC

Alberta Utilities Commission

ATCO Gas and Pipelines Ltd.

2016 Annual PBR Rate Adjustment Filing

Costs Award

March 24, 2016

Alberta Utilities Commission

Decision 21138-D01-2016: ATCO Gas and Pipelines Ltd.

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Proceeding 21138

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Published by

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1 Introduction

1. On September 10, 2015, ATCO Gas and Pipelines Ltd. submitted its 2016 annual performance-based regulation (PBR) rate adjustment filing, requesting approval of its rates, to be effective January 1, 2016 (the PBR rate adjustment application). The Commission assigned Proceeding 20820 and Application 20820-A001 to the PBR rate adjustment application.
2. On September 11, 2015, the Commission issued a notice of application that required interested parties to submit a statement of intent to participate (SIP) by September 18, 2015. The Commission received SIPs by the specified deadlines from the Consumers' Coalition of Alberta (CCA), the City of Calgary and the Office of the Utilities Consumer Advocate.
3. After reviewing the application and the SIPs, the Commission determined that the application would be considered by way of a minimal written process, as outlined in Commission Bulletin 2015-09¹ and, on September 22, 2015, issued a process letter that included information requests (IRs), argument and reply argument.
4. The Commission considers the record for the PBR rate adjustment application proceeding to have closed on November 2, 2015, when reply argument submissions were filed.
5. On December 4, 2015, the Commission received a costs claim application from the CCA. The Commission assigned Proceeding 21138 and Application 21138-A001 to the costs claim application.
6. The Commission circulated a summary of the CCA's costs claimed to interested parties on December 9, 2015, and requested comments regarding the figures listed in the summary, or the merits of the costs claimed, by December 23, 2015. No comments were received.
7. On December 21, 2015, the Commission issued Decision 20820-D01-2015² with respect to the PBR rate adjustment application.
8. On January 25, 2016, the Commission issued an IR requesting further information from the CCA in respect of consultant fees, due by February 11, 2016. The CCA filed its response on March 9, 2016.
9. The Commission considers the close of record for the costs claim application to be March 9, 2016.

¹ Bulletin 2015-09, Performance standards for processing rate-related applications, March 26, 2015.

² Decision 20820-D01-2015: ATCO Gas and Pipelines Ltd. 2016 Annual Performance-based Regulation Rate Adjustment Filing, Proceeding 20820, Application 20820-A001, December 21, 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 Costs in Utility Rate Proceedings*. Appendix A of 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 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 Consumers' Coalition of Alberta

13. The CCA submitted a costs claim for recovery of costs paid in the total amount of \$12,464.13. The costs claim requested approval for recovery of the following legal and consulting costs:

- \$1,065.75 for Wachowich & Company, comprising legal fees of \$1,015.00 and GST of \$50.75; and
- \$11,398.38 for Regulatory Services Inc., comprising consulting fees of \$10,813.50, disbursements of \$42.10, and GST of \$542.78.

Wachowich & Company

14. The claim for Wachowich & Company relates to 2.90 hours of legal services performed by Mr. James Wachowich. The hours claimed relate to 1.40 hours for review of the application, IRs and IR responses, and 1.50 for review of argument and reply argument.

15. 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.

16. Accordingly, the Commission approves the claim for legal services in the total amount of \$1,065.75, which is composed of legal fees of \$1,015.0 and GST of \$50.75.

Regulatory Services Inc.

17. The claim for Regulatory Services Inc. relates to 40.05 hours of consulting services provided by Mr. Jeffrey Jodoin and Mr. Jan Thygesen. In the costs claim application, the CCA

noted that Mr. Jodoin had overall responsibility for the application, while Mr. Thygesen focused on Rule 005 reporting and its impact on the re-opener test in PBR.³ The hours claimed for Mr. Jodoin relate to 29.30 hours for review of the application, drafting IRs and reviewing IR responses, and 7 hours for drafting argument and reply argument. In an IR response, the CCA provided further details as to Mr. Jodoin's time and tasks.⁴ The hours claimed for Mr. Thygesen relate to 3.50 hours for review of the application, drafting IRs and reviewing IR responses, and 0.25 hours for drafting argument and reply argument.

18. The Commission has assessed the costs claim for consulting services 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 disbursements of \$42.10 claimed by Mr. Jodoin for photocopies to be reasonable and in accordance with the Scale of Costs.

19. The Commission, therefore, approves recovery of costs for Regulatory Services Inc. in the amount of \$11,398.38, which is composed of \$10,813.50 in consulting fees, disbursements of \$42.10, and GST of \$542.78.

20. Accordingly, the Commission approves recovery of the CCA's costs claim in the total amount of \$12,464.13, which is composed of \$1,015.00 in legal fees, \$10,813.50 in consulting fees, disbursements of \$42.10, and GST of \$593.53.

4 GST

21. 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 \$593.53.

22. 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.

³ Exhibit 21138-X0001, paragraph 7.

⁴ Exhibit 21138-X0007.

5 Order

23. It is hereby ordered that:

- 1) ATCO Gas shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$12,464.13.

Dated on March 24, 2016.

Alberta Utilities Commission

(original signed by)

Mark Kolesar
Vice-Chair