



ATCO Pipelines

2016 Interim Revenue Requirement

Costs Award

August 31, 2016

Alberta Utilities Commission

Decision 21594-D01-2016

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1 Introduction

1. In this decision the Alberta Utilities Commission considers applications by ATCO Gas and Pipelines Ltd. (ATCO Pipelines) and the Consumers' Coalition of Alberta (CCA) for approval and payment of their costs of participation in Proceeding 21328 (the costs claim applications). The following table sets out the costs claimed and the amounts awarded:

Claimant	Total Fees Claimed	Total Disbursements Claimed	Total GST Claimed	Total Amount Claimed	Total Fees Awarded	Total Disbursements Awarded	Total GST Awarded	Total Amount Awarded
ATCO PIPELINES								
Bennett Jones LLP	\$7,525.00	\$5.00	\$0.00	\$7,530.00	\$5,267.50	\$5.00	\$0.00	\$5,272.50
Total	\$7,525.00	\$5.00	\$0.00	\$7,530.00	\$5,267.50	\$5.00	\$0.00	\$5,272.50
CCA								
Wachowich & Company	\$875.00	\$0.00	\$43.75	\$918.75	\$875.00	\$0.00	\$43.75	\$918.75
Regulatory Services Inc.	\$9,045.00	\$22.10	\$453.36	\$9,520.46	\$5,076.00	\$22.10	\$254.91	\$5,353.01
Total	\$9,920.00	\$22.10	\$497.11	\$10,439.21	\$5,951.00	\$22.10	\$298.66	\$6,271.76
Total of all amounts claimed and awarded				\$17,969.21				\$11,544.26

2. The Commission has awarded reduced costs to the applicants for the reasons set out below.

3. Proceeding 21328 (the original proceeding) was convened by the Commission to consider ATCO Pipelines' application for approval of a monthly fixed fee, on an interim basis, of 60 per cent of its forecast 2016 revenue requirement. The original proceeding included information requests (IRs) and responses to IRs. Parties did not submit argument and reply argument. The close of record for the original proceeding was April 8, 2016 and the Commission issued Decision 21328-D01-2016¹ on April 25, 2016.

4. The CCA submitted its costs claim application on May 9, 2016, within the 30 day timeline permitted by the Commission's rules. The Commission assigned Proceeding 21594 and Application 21594-A001 to the costs claim application.

5. ATCO Pipelines submitted its costs claim application on May 25, 2016. The costs claim application was filed 17 days outside of the required 30 day timeline permitted by the Commission's rules, specifically Rule 022: *Rules on Costs in Utility Rate Proceedings* (Rule 022). Costs not received within the specified timeframe may be rejected without further process. The Commission used its discretion to accept the late filing but reminds ATCO Pipelines that

¹ Decision 21328-D01-2016: ATCO Pipelines 2016 Interim Revenue Requirement, Proceeding 21328, Application 21328-A001, April 25, 2016.

future filings made after the 30 day deadline may be rejected as out-of-time. ATCO Pipelines' costs claim application was assigned Application 21594-A002 within Proceeding 21594.

6. No comments were filed with respect to the costs applications and the Commission considers the close of record for this proceeding to be June 13, 2016, the deadline for filing comments.

2 Commission findings

7. The Commission's authority to award costs for participation in a utility rates proceeding is found in Section 21 of the *Alberta Utilities Commission Act*. When considering a claim for costs for a utility rates proceeding, the Commission is also guided by the factors set out in AUC Rule 022. Appendix A of AUC Rule 022 prescribes a Scale of Costs applicable to all costs claimed.

2.1 ATCO Pipelines

8. The following table summarizes ATCO Pipelines' costs claim:

Claimant	Hours			Fees	Disbursements	GST	Total
	Preparation	Attendance	Argument				
ATCO PIPELINES							
Bennett Jones LLP	21.50	0.00	0.00	\$7,525.00	\$5.00	\$0.00	\$7,530.00
Total	21.50	0.00	0.00	\$7,525.00	\$5.00	\$0.00	\$7,530.00

9. The Commission finds that ATCO Pipelines acted responsibly in the original proceeding and contributed to the Commission's understanding of the relevant issues. However, the Commission is unable to approve the full amount of the costs claimed in respect of the services performed by Bennett Jones LLP for the reasons set out below.

Bennett Jones LLP

10. ATCO Pipelines was represented by Bennett Jones LLP in the original proceeding. The fees claimed by ATCO Pipelines for the legal services provided by Mr. Nick Gretener relate to reviewing the draft application, responding to correspondence from the Commission and the CCA, and reviewing IRs and draft IR responses.

11. Mr. Gretener performed 21.50 hours of legal work to address the original application, to respond to information requests and to review the correspondence from the Commission on file. While the Commission finds that that the services performed by Mr. Gretener were directly and necessarily related to ATCO Pipelines' participation in the original proceeding, it finds that the fees claimed for these services were excessive because the application was not complex or lengthy, and limited process steps were required to address the application. The 2016 interim revenue requirement application in the original proceeding was six pages, and there were two ATCO Pipelines' IR responses to the CCA. The only other correspondence on file was ATCO Pipelines' response to a Commission letter as to whether any amendments were required to its

application due to the issuance of Decision 3577-D01-2016.² ATCO Pipelines provided a two page letter confirming that amendments to its application were not required and that the interim rate was still warranted.

12. In addition, the cost award application does not provide sufficient explanation on why 21.50 hours of legal work were required to address the approval of the 2016 interim revenue requirement requested in the original application, and to prepare responses to two information requests and the Commission's letter. For these reasons, the Commission considers that a 30 per cent reduction is warranted to the fees claimed.

13. Accordingly, the Commission approves ATCO Pipelines' claim for legal fees for Bennett Jones in the amount of \$5,267.50 and disbursements of \$5.00 related to photocopying, for a total of \$5,272.50.

2.2 Consumers' Coalition of Alberta

14. The following table summarizes the CCA's costs claim:

Claimant	Hours			Fees	Disbursements	GST	Total
	Preparation	Attendance	Argument				
CCA							
Wachowich & Company	2.50	0.00	0.00	\$875.00	\$0.00	\$43.75	\$918.75
Regulatory Services Inc.	33.50	0.00	0.00	\$9,045.00	\$22.10	\$453.36	\$9,520.46
Total	36.00	0.00	0.00	\$9,920.00	\$22.10	\$497.11	\$10,439.21

15. The Commission finds that the CCA acted responsibly in the original proceeding and contributed to the Commission's understanding of the relevant issues. The Commission has approved the full costs of Wachowich & Company. However, the Commission is unable to approve the full amount of the costs claimed in respect of the services performed by Regulatory Services Inc. for the reasons set out below.

Wachowich & Company

16. The CCA was represented by Wachowich & Company in the original proceeding. The fees claimed by the CCA for the legal services provided by Mr. James Wachowich relate to reviewing the application, reviewing draft IRs and reviewing IR responses.

17. The Commission finds that the services performed by Mr. Wachowich were directly and necessarily related to the CCA's participation in the original proceeding, and that the fees, which were claimed in accordance with the Scale of Costs for those services, are reasonable. Accordingly, the Commission approves the CCA's claim for legal fees for Wachowich & Company in the amount of \$875.00 and GST of \$43.75 for a total of \$918.75.

² Decision 3577-D01-2016: ATCO Pipelines, 2015-2016 General Rate Application, Proceeding 3577, February 29, 2016.

Regulatory Services Inc.

18. Regulatory Services Inc. was retained by the CCA to perform consulting services in the original proceeding. The fees claimed by the CCA for the consulting services provided by Mr. Jeffrey Jodoin relate to reviewing the application, performing modelling on data from ATCO Pipelines' 2015-2016 general rates application in Proceeding 3577,³ drafting IRs and reviewing IR responses.

19. While the Commission finds that that the services performed by Mr. Jodoin were generally directly and necessarily related to the CCA's participation in the original proceeding, it finds that the fees claimed for these services were unreasonable because 14.7 of the 33.5 hours claimed were related to modelling performed on data from ATCO Pipelines' previous general rates application in Proceeding 3577. Neither the modelling nor the results of the modelling were put on the public record as evidence in the original proceeding to establish the 2016 interim revenue requirement. Further, no explanation was given in the CCA's costs application on how these hours were reasonably and necessarily related to the CCA's participation or establishing the 2016 interim revenue requirement.

20. For these reasons, the Commission considers that the 14.7 hours for modelling should be excluded from the costs of Regulatory Services Inc., and therefore, a corresponding reduction of \$3,969.00 is warranted. The Commission approves the CCA's claim for consulting fees for Regulatory Services Inc. in the amount of \$5,076.00, disbursements of \$22.10 for photocopying, and GST of \$254.91, for a total of \$5,353.01.

3 Order

21. It is hereby ordered that:

- 1) ATCO Gas and Pipelines Ltd. shall pay external costs in the amount of \$5,272.50.
- 2) ATCO Gas and Pipelines Ltd. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$6,271.76.
- 3) ATCO Gas and Pipelines Ltd. shall record in its Reserve for Hearing Costs the approved costs in the total amount of \$11,544.26.

Dated on August 31, 2016.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member

³ ATCO Pipelines 2015-2016 General Rate Application, Proceeding 3577, Application 1611077-1.