



# AUC

Alberta Utilities Commission

## **ATCO Gas (A division of ATCO Gas and Pipelines Ltd.)**

**2011-2012 General Rate Application  
Second Compliance Filing  
Compliance Filing to Decision 2012-191**

**Costs Award**

**April 12, 2013**

**The Alberta Utilities Commission**

Decision 2013-140: ATCO Gas (A division of ATCO Gas and Pipelines Ltd.)

2011-2012 General Rate Application

Second Compliance Filing

Compliance Filing to Decision 2012-191

Costs Award

Application Nos. 1609081 and 1609117

Proceeding ID No. 2275

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## **1 Introduction**

1. On December 5, 2011, the Alberta Utilities Commission (the Commission) issued Decision [2011-450](#)<sup>1</sup> regarding ATCO Gas and Pipelines Ltd.'s (ATCO Gas) 2011-2012 General Rate Application (GRA). In Decision 2011-450, the Commission directed ATCO Gas to refile its 2011-2012 GRA incorporating the Commission's findings, conclusions and directions in that decision and provide a detailed reconciliation of the 2011-2012 revenue requirements.
2. On July 20, 2012, the Commission issued Decision [2012-191](#)<sup>2</sup> related to ATCO Gas' 2011-2012 GRA Phase I Compliance Filing. In the decision, the Commission directed ATCO Gas to refile its compliance filing by September 10, 2012, including a placeholder summary to reflect the Commission's findings, conclusions and directions in its decision.
3. On September 10, 2012, ATCO Gas refiled its 2011-2012 GRA compliance (second compliance) filing application.
4. On November 16, 2012, the Commission issued Decision [2012-309](#)<sup>3</sup> approving ATCO Gas' 2011-2012 revenue requirement, base rates, rate riders and the corresponding rate schedules for ATCO Gas North and ATCO Gas South. The Commission issued Decision [2012-309\(Errata\)](#) on November 20, 2012, which amended Appendix 3 of Decision 2012-309.
5. On November 30, 2012 ATCO Gas filed its costs application for its second compliance filing.
6. On December 3, 2012, the Commission circulated a summary of costs to interested parties for ATCO Gas' costs claim amounts. Parties were advised that any comments regarding the figures listed in the summary or the merits of the total costs claimed were to be filed by December 17, 2012.
7. The CCA filed its costs application on December 13, 2012.
8. On January 3, 2013, the Commission circulated a revised summary of costs to interested parties that included both ATCO Gas' and the CCA's costs claims. Parties were advised that any

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<sup>1</sup> Decision 2011-450: 2011-2012 General Rate Application Phase I, Application No. 1606822, Proceeding ID No. 969, December 5, 2011.

<sup>2</sup> Decision 2012-191: 2011-2012 General Rate Application Phase I Compliance Filing, Application No. 1608144, Proceeding ID No. 1709, July 20, 2012.

<sup>3</sup> Decision 2012-309: 2011-2012 General Rate Application Second Compliance Filing Compliance Filing to Decision 2012-191, Application No. 1608806, Proceeding ID No. 2115, November 5, 2012.

comments regarding the figures listed in the revised summary or the merits of the total costs claimed were to be filed by January 17, 2013.

9. The Commission did not receive any comments on the summary of costs or the revised summary of costs. Accordingly, the Commission considers the cost process to have closed on January 17, 2013.

## **2 Views of the Commission – 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](#) (Rule 022). Rule 022 also prescribes a *Scale of Costs* applicable to costs claims.

11. In exercising its discretion to award costs, the Commission will in accordance with Section 11 of Rule 022, consider whether an eligible participant acted responsibly and contributed to a better understanding of the issues before the Commission, and whether the costs claimed are reasonable and directly and necessarily related to the proceeding. The Commission considers these factors in light of the scope and nature of the issues in question.

12. In the Commission's view, the responsibility to contribute positively to the process is inherent in a proceeding. The Commission expects that those who choose to participate will prepare and present a position that is reasonable in light of the issues arising in the proceeding and necessary for the determination of those issues. To the extent reasonably possible, the Commission will be mindful of 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. As such, the Commission only approves those costs that are reasonable, and directly and necessarily related to the party's participation in the proceeding.

## **3 Views of the Commission – assessment of costs claims**

### **3.1 ATCO Gas**

14. ATCO Gas submitted a costs claim for \$875.00 for legal fees paid to Bennett Jones LLP. The legal fees, for 2.5 hours, were to review the application and ATCO Gas' compliance with Decision 2012-191.

15. The Commission finds that the retention of external counsel was reasonable for the purposes of reviewing ATCO Gas's application and for reviewing the analysis of its compliance with Decision 2012-191. The Commission notes that the claims for professional fees were in accordance with the *Scale of Costs*. Accordingly, the Commission considers the legal fees claimed for Bennett Jones LLP to be reasonable and approves ATCO Gas' external costs for legal fees in the amount of \$875.00.

### 3.2 Consumers' Coalition of Alberta

16. The CCA submitted a costs claim for \$6,529.22 for consulting services received from Regulatory Services Inc. The claim was comprised of consulting fees in the amount of \$6,210.00, for 27.0 hours of consulting services, disbursements of \$8.30 for internal photocopying and GST of \$310.92. The consulting services were comprised of 20.5 hours for review of the application and preparing information requests, and 6.5 hours for preparation of argument and reply argument.

17. The Commission finds that the CCA's participation was effective and of assistance to the Commission. The CCA's information requests and argument on ATCO Gas' proposal to apply a premium to the meter relocation and replacement program costs were helpful to the Commission in reaching its determinations on whether a premium should be approved. The Commission also notes that the claims for consulting fees, disbursements, and GST were in accordance with the *Scale of Costs*. Accordingly, the Commission approves the CCA's costs claim for Regulatory Services Inc. in the amount of \$6,529.22.

### 4 GST

18. In accordance with the Commission's treatment of the GST on cost awards, ATCO Gas is required to pay only that portion of the GST paid by interveners that may not be recoverable through the GST credit mechanism. Eligible GST approved by the Commission amounts to \$310.92.

19. The Commission emphasizes that its treatment of the GST claimed in no way relieves participants or their lawyers and consultants from their GST obligations pursuant to the *Excise Tax Act*, RSC 1985, c. E-15.

### 5 Order

It is hereby ordered that:

1. ATCO Gas and Pipelines Ltd. shall pay its external costs in the amount of \$875.00.
2. ATCO Gas and Pipelines Ltd. shall pay intervener costs in the amount of \$6,529.22.
3. ATCO Gas and Pipelines Ltd. shall record in its Hearing Cost Reserve Account the total costs awarded in the amount of \$7,404.22.

Dated on April 12, 2013.

### The Alberta Utilities Commission

(original signed by)

Kay Holgate  
Commission Member