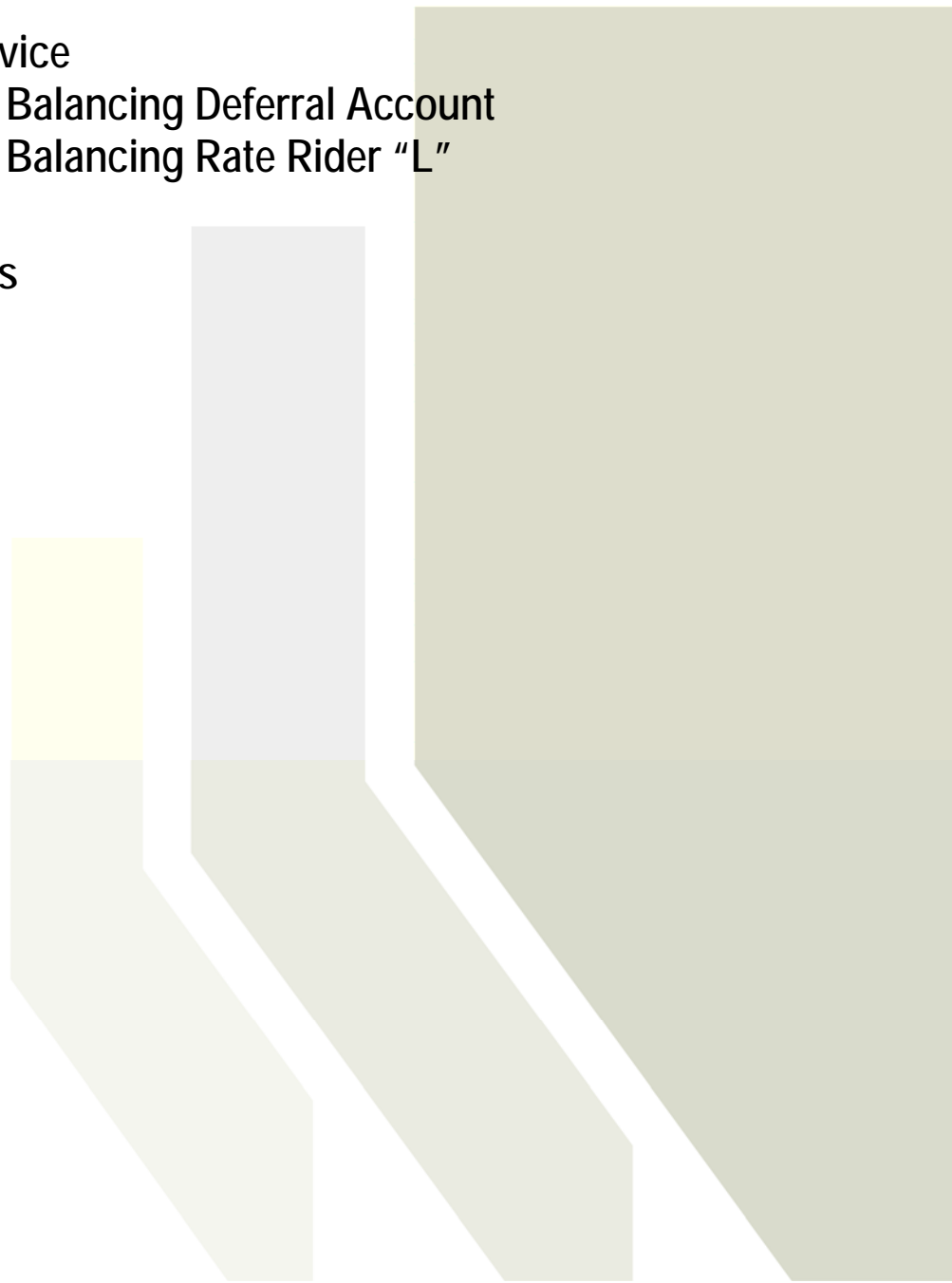




ATCO Gas

Retailer Service
South Load Balancing Deferral Account
South Load Balancing Rate Rider "L"

Cost Awards



ALBERTA UTILITIES COMMISSION

Utility Cost Order 2010-020: ATCO Gas

Retailer Service

South Load Balancing Deferral Account

South Load Balancing Rate Rider "L"

Application No. 1605400

Cost Application No. 1605724

Published by

Alberta Utilities Commission

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Calgary, Alberta

**ATCO Gas
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**Utility Cost Order 2010-020
Application No. 1605400
Cost Application No. 1605724**

1 INTRODUCTION

1. On August 26, 2009, ATCO Gas, a division of ATCO Gas and Pipelines Ltd. (AG), filed an application (Application) with the Commission requesting approval:

- To recover the balance of AG’s south load balancing deferral account (South LBDA) through a load balancing rate rider; and
- To change AG’s current trigger that determines when a rider application for South LBDA is required. AG also proposed applying this trigger change to its north LBDA (North LBDA) and indicated that it would not file an application for Commission approval to recover the balance for the North LBDA until the Commission provided a ruling on the South LBDA trigger change.

2. AG also indicated that it calculated carrying charges on the outstanding balance in the South LBDA by applying a weighted average cost of capital (WACC) of 9.224 percent.

3. The Commission dealt with this Application by way of a written proceeding. On December 14, 2009, the Commission issued Decision [2009-251](#)¹, with respect to the Application.

4. On December 16, 2009, a summary of the costs being claimed was circulated to interested parties. 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 30, 2009. The Commission did not receive any comments. Accordingly, the Commission considers, for the purposes of this Cost Order, the cost process to have closed on December 30, 2009.

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS

5. When assessing a cost claim pursuant to Section 21 of the *Alberta Utilities Commission Act* (AUC Act), the Commission applies Rule 022, *Rules on Intervener Costs in Utility Rate Proceedings* (Rule 022). Rule 022 was revised on September 30, 2008. As the filing of this Application with the Commission was on August 26, 2009, the Commission has assessed the costs claimed in accordance with the provisions of the current Rule 022.

6. 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

¹ Decision 2009-251 – ATCO Gas South, Retailer Service – South Load Balancing Deferral Account South Load Balancing Rate Rider “L” (Application No. 1605400) (Released: December 14, 2009).

contributed to a better understating 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.

7. In the Commission’s view, the responsibility to contribute positively to the process is inherent in the choice to intervene 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 participants’ willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.

8. 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

9. The Consumers Coalition of Alberta (CCA) submitted a cost claim totaling \$3,711.23. The claim is comprised of consulting fees incurred by Regulatory Services Inc. in the amount of \$3,520.00, together with disbursements and GST of \$14.50 and \$176.73.

10. The Commission has considered the costs submitted by the CCA. The Commission finds that the participation of the CCA was, for the most part, effective and of assistance in reviewing the Application. The Commission also notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. Accordingly, the Commission considers the claims for fees, disbursements and applicable GST for all participants to be reasonable in the total amount of \$3,711.23.

4 GST

11. In accordance with the Commission's treatment of the GST on cost awards, AG is required to pay only that portion of the GST paid by interveners that may not be recoverable through the GST credit mechanism. Accordingly where parties are eligible for a GST credit the Commission has reduced this particular portion of their claim. Eligible GST approved by the Commission amounts to \$176.73. The GST allowed by the Commission may also be charged against AG’s south Hearing Cost Reserve Account.

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

5 ORDER

IT IS HEREBY ORDERED:

1. ATCO Gas shall pay intervener costs in the amount of \$3,711.23.
2. ATCO Gas shall record in its south Hearing Cost Reserve Account the allowed intervener costs in the amount of \$3,711.23.

Dated on March 22, 2010.

ALBERTA UTILITIES COMMISSION

(Original signed by)

Anne Michaud
Commissioner