



AltaGas Utilities Inc.

2008 Interim Refundable Rates

Cost Awards



ALBERTA UTILITIES COMMISSION

Utility Cost Order 2009-032: AltaGas Utilities Inc.

2008 Interim Refundable Rates

Application No. 1604826

Cost Application No. 1604974

Published by

Alberta Utilities Commission

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Contents

1 INTRODUCTION..... 1

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS 1

3 VIEWS OF THE COMMISSION – ASSESSMENT..... 2

4 GST..... 2

5 ORDER 2

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Calgary, Alberta

**AltaGas Utilities Inc.
2008 Interim Refundable Rates**

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Application No. 1604826
Cost Application No. 1604974**

1 INTRODUCTION

1. AltaGas Utilities Inc. (AUI) filed an application dated February 23, 2009 (Application), with the Alberta Utilities Commission (AUC or the Commission) requesting approval from the Commission to recover 50%, or approximately \$2.9 million, of the 2008 forecast revenue deficiency related to AUI's 2008/2009 Phase 1 General Tariff Application Forecast Update filing, adjusted for the change in AUI's rates on November 1, 2008, pursuant to AUC Decision [2008-103](#).
2. The Commission dealt with this Application by way of written process. On March 30, 2009, the Commission issued Decision [2009-038](#) in respect of the Application.
3. On April 14, 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 April 28, 2009. The Commission did not receive any comments. Accordingly, for purposes of this Cost Order, the Commission considers the cost process to have closed on April 28, 2009.

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS

4. When assessing a cost claim pursuant to section 21 of the *Alberta Utilities Commission 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 Application was filed on February 23, 2009, the Commission has assessed the costs claimed in accordance with the provisions of the revised Rule 022.
5. 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.
6. 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.

7. 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

8. The Commission received a cost claim from AUI in the amount of \$4,109.71. AUI's cost claim was comprised of legal fees incurred by MacPherson Leslie & Tyerman LLP in the amount of \$4,097.50, together with disbursements of \$12.21.

9. In Utility Cost Order 2009-026, the Commission expressed its concerns regarding the level of external costs incurred by AUI with respect to its 2009 Interim Rates Application (Application No. 1598641), noting that in that case, those costs were considerably higher than the norm for an applicant supporting a relatively routine interim rates application.

10. While the Commission also has some degree of concern with the level of external resources used in the preparation of this Application, the Commission is prepared in this case to allow the cost claim. Accordingly, the Commission approves AUI's cost claim in the full amount of \$4,109.71.

4 GST

11. In accordance with the Commission's treatment of the GST on cost awards, AUI 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 \$0.00.

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. AltaGas Utilities Inc. external costs in the amount of \$4,109.71 are approved.
2. AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed external applicant in the amount of \$4,109.71.

Dated in Calgary, Alberta on this 21st day of July, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Anne Michaud
Panel Chair