



**ATCO Utilities  
(ATCO Gas, ATCO Pipelines and  
ATCO Electric Ltd.)**

**2011 Pension Common Matters Compliance Filing**

**Costs Awards**

**June 28, 2012**

**The Alberta Utilities Commission**

Decision 2012-176: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.)

2011 Pension Common Matters Compliance Filing

Costs Awards

Application No. 1608291

Proceeding ID No. 1796

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**(ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.)**  
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## **1 Introduction**

1. On December 1, 2011, ATCO Gas (AG), ATCO Pipelines (AP) and ATCO Electric Ltd. (AE), collectively acting as ATCO Utilities, filed a 2011 pension common matters compliance filing with the Alberta Utilities Commission (AUC or Commission) in accordance with Decision [2011-391](#)<sup>1</sup>.
2. Statements of intent to participate were received from the Consumers' Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA) by the intervention deadline of December 19, 2011.
3. On December 29, 2011, the Commission requested that ATCO Utilities respond to a number of preliminary information requests, to which ATCO Utilities replied on January 16, 2012.
4. Additional information requests were submitted by the Commission and the UCA on January 23, 2012. ATCO Utilities responded to these requests on February 6, 2012.
5. The Commission also requested comments from parties on the need to file evidence in this proceeding. The UCA and the CCA responded on February 9, 2012, indicating that there was no need for further evidentiary process.
6. On February 17, 2012, the UCA filed a letter indicating that it did not object to the compliance filing application.
7. On February 24, 2012, ATCO Utilities filed a letter requesting the Commission to proceed to a decision, as no other party had filed an argument and accordingly, there was no need to submit a reply argument.
8. On June 14, 2012, the Commission issued Decision [2012-166](#)<sup>2</sup>.
9. ATCO Utilities filed its costs claim on March 27, 2012, before the costs submission deadline of April 6, 2012.

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<sup>1</sup> Decision 2011-391: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.) 2011 Pension Common Matters, Application No. 1606850, Proceeding ID No. 999, Released: September 27, 2011.

<sup>2</sup> Decision 2012-166: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.) 2011 Pension Compliance Common Matters Compliance Filing, Application No. 1607949, Proceeding ID No. 1599, Released: June 14, 2012.

10. On April 10, 2012, the Commission circulated a summary of costs being claimed by ATCO Utilities to interested parties. Parties were advised that any comments regarding the figures listed in the summary or the merits of the costs claimed were to be filed by April 20, 2012. The Commission did not receive any comments regarding the costs claim submitted in this proceeding. Accordingly, the Commission considers the costs process to have closed April 20, 2012.

## 2 Background

11. ATCO Utilities participated, with other affiliated companies, in the retirement plan for employees of Canadian Utilities Limited and participating companies (pension plan). The pension plan is administered by Canadian Utilities Limited, which exercises its fiduciary responsibilities through a management pension committee. The pension plan has two components operating under a single plan: defined benefit (DB plan) and defined contribution (DC plan). The DB plan has been closed to new employees since 1997.

12. On April 30, 2010, Decision [2010-189](#)<sup>3</sup> was issued in respect of ATCO Utilities' pension common matters application, Proceeding ID No. 226. The decision examined the creation of a deferral account for the special payments required in respect of the unfunded liability of the DB plan and directed that further information be provided on the proposal. ATCO Utilities was directed to prepare a 2011 pension common matters application to address the use of discretion with respect to the annual cost of living adjustment (COLA) provision in determining the amount of the DB plan pension costs to be included in revenue requirement.

13. On September 27, 2011, the Commission issued Decision 2011-391 with respect to its findings and directions regarding the ATCO Utilities 2011 pension application. Decision 2011-391 directed ATCO Utilities to submit a compliance filing by November 30, 2011.

14. The compliance filing application addressed in Decision 2012-166 provided for adjustments to the respective ATCO Utilities 2012 revenue requirements in regard to the COLA adjustments as directed by Decision 2011-391 for each of AE, AG and AP. In addition, the application requested finalization of pension revenue requirements amounts in substitution for placeholders for the years 2010, 2011 and 2012.

## 3 Views of the Commission – authority to award costs

15. When assessing a costs claim pursuant to Section 21 of the *Alberta Utilities Commission Act*, RSA 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.

16. 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

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<sup>3</sup> Decision 2010-189: ATCO Utilities Pension Common Matters, Application No. 1605254, Proceeding ID No. 226, Released: April 30, 2010.

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.

17. 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 participants' willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.

18. 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.

#### **4 Views of the Commission – assessment**

19. ATCO Utilities submitted a costs claim totalling \$9,236.85. The costs claim is comprised of legal fees incurred by Bennett Jones LLP in the amount of \$3,080.00; and consulting fees incurred by Mercer (Canada) Limited in the amount of \$6,156.85.

20. Upon review of the submitted costs claim from ATCO Utilities, the Commission notes calculation errors on Form U1 for ATCO Gas, ATCO Pipelines and ATCO Electric Ltd. with respect to consulting fees for Mercer (Canada) Limited. The amount of consulting fees has been corrected to a total amount of \$6,191.80.

21. The Commission has considered the costs claim submitted by ATCO Utilities and finds that they have been calculated in accordance with the Commission's *Scale of Costs*, as set out in Appendix A to Rule 022. The Commission finds that the hours incurred are reasonable for the tasks described in the costs claim. Accordingly, the Commission awards ATCO Utilities claim for fees in the total amount of \$9,271.80.

22. ATCO Utilities proposed to allocate approved costs on the basis of 40 per cent to each of AG and AE and 20 percent to AP. The costs allocated to AG and AP are to be split equally between the northern and southern operations resulting in the following allocation of its costs: \$1,854.36 to each of AG North and AG South; \$927.18 to each of AP North and AP South and \$3,708.72 to AE. The Commission accepts the proposed allocation.

#### **5 Order**

23. It is hereby ordered that:

- (1) ATCO Gas North shall pay external costs in the amount of \$1,854.36, as set out in column (h) of Appendix A.
- (2) ATCO Gas North shall record in its hearing costs reserve account the allowed external applicant costs in the amount of \$1,854.36, as set out in column (h) of Appendix A.

- (3) ATCO Gas South shall pay external costs in the amount of \$1,854.36, as set out in column (h) of Appendix A.
- (4) ATCO Gas South shall record in its hearing costs reserve account the allowed external applicant costs in the amount of \$1,854.36, as set out in column (h) of Appendix A.
- (5) ATCO Pipelines North shall pay external costs in the amount of \$927.18, as set out in column (h) of Appendix A.
- (6) ATCO Pipelines North shall record in its hearing costs reserve account the allowed external applicant costs in the amount of \$927.18, as set out in column (h) of Appendix A.
- (6) ATCO Pipelines South shall pay external costs in the amount of \$927.18, as set out in column (h) of Appendix A.
- (7) ATCO Pipelines South shall record in its hearing costs reserve account the allowed external applicant costs in the amount of \$927.18, as set out in column (h) of Appendix A.
- (8) ATCO Electric Ltd. shall pay external costs in the amount of \$3,708.72, as set out in column (h) of Appendix A.
- (9) ATCO Electric Ltd. shall record in its hearing costs reserve account the allowed external applicant costs in the amount of \$3,708.72, as set out in column (h) of Appendix A.

Dated on June 28, 2012.

**The Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Vice-Chair

*(original signed by)*

Mark Kolesar  
Vice-Chair

*(original signed by)*

Kay Holgate  
Commission Member



**ATCO Utilities**  
**2011 Pension Common Matters Compliance Filing**  
**Proceeding ID No. 1796**  
**Application No. (1607949)1608291**

**Total Costs Claimed/Awarded**

	Total Fees Claimed (a)	Total Expenses Claimed (b)	Total GST Claimed (c)	Total Amount Claimed (d)	Total Fees Awarded (e)	Total Expenses Awarded (f)	Total GST Awarded (g)	Total Amount Awarded (h)
<b>APPLICANT</b>								
<b>ATCO Gas (North)</b>								
Bennett Jones LLP	\$616.00	\$0.00	\$0.00	\$616.00	\$616.00	\$0.00	\$0.00	\$616.00
Mercer (Canada) Limited	\$1,238.36	\$0.00	\$0.00	\$1,238.36	\$1,238.36	\$0.00	\$0.00	\$1,238.36
<b>Sub-Total</b>	<b>\$1,854.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,854.36</b>	<b>\$1,854.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,854.36</b>
<b>ATCO Gas (South)</b>								
Bennett Jones LLP	\$616.00	\$0.00	\$0.00	\$616.00	\$616.00	\$0.00	\$0.00	\$616.00
Mercer (Canada) Limited	\$1,238.36	\$0.00	\$0.00	\$1,238.36	\$1,238.36	\$0.00	\$0.00	\$1,238.36
<b>Sub-Total</b>	<b>\$1,854.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,854.36</b>	<b>\$1,854.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,854.36</b>
<b>ATCO Pipelines (North)</b>								
Bennett Jones LLP	\$308.00	\$0.00	\$0.00	\$308.00	\$308.00	\$0.00	\$0.00	\$308.00
Mercer (Canada) Limited	\$619.18	\$0.00	\$0.00	\$619.18	\$619.18	\$0.00	\$0.00	\$619.18
<b>Sub-Total</b>	<b>\$927.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$927.18</b>	<b>\$927.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$927.18</b>
<b>ATCO Pipelines (South)</b>								
Bennett Jones LLP	\$308.00	\$0.00	\$0.00	\$308.00	\$308.00	\$0.00	\$0.00	\$308.00
Mercer (Canada) Limited	\$619.18	\$0.00	\$0.00	\$619.18	\$619.18	\$0.00	\$0.00	\$619.18
<b>Sub-Total</b>	<b>\$927.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$927.18</b>	<b>\$927.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$927.18</b>
<b>ATCO Electric Ltd.</b>								
Bennett Jones LLP	\$1,232.00	\$0.00	\$0.00	\$1,232.00	\$1,232.00	\$0.00	\$0.00	\$1,232.00
Mercer (Canada) Limited	\$2,476.72	\$0.00	\$0.00	\$2,476.72	\$2,476.72	\$0.00	\$0.00	\$2,476.72
<b>Sub-Total</b>	<b>\$3,708.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,708.72</b>	<b>\$3,708.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,708.72</b>
<b>Applicant Costs Sub-Total</b>	<b>\$9,271.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,271.80</b>	<b>\$9,271.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,271.80</b>
<b>INTERVENERS</b>								
No Intervener Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL INTERVENER COSTS</b>								
	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>								
	<b>\$9,271.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,271.80</b>	<b>\$9,271.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,271.80</b>