



AltaGas Utilities Inc.

Authority to Issue Common Shares

Cost Awards



ALBERTA UTILITIES COMMISSION

Utility Cost Order 2008-034: AltaGas Utilities Inc.

Authority to Issue Common Shares

Application No. 1558635

Cost Application No. 1567912

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ALBERTA UTILITIES COMMISSION

Calgary, Alberta

AltaGas Utilities Inc.
Authority to Issue Common Shares

Utility Cost Order 2008-034
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1 INTRODUCTION

On January 31, 2008 AltaGas Utilities Inc. (AUI) filed an application (the Application) with the Alberta Utilities Commission (AUC or the Commission) for approval to issue Class "A" common shares (common shares) to AltaGas Utility Holdings Inc.

The Commission issued a Notice of Application (Notice) on February 7, 2008 and requested that parties submit a Statement of Intent to Participate (SIP) by February 22, 2008.

The Commission received one SIP from the Consumers' Coalition of Alberta (CCA). In its SIP, the CCA advised that it had no objections with respect to the issuance of the common shares by AUI.

On March 27, 2008 the Commission issued Order [U2008-84](#).

On April 10, 2008 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 18, 2008. The Commission did not receive any comments. On July 15, 2008, additional information was requested from AUI by the Commission regarding the legal costs that had been submitted by AUI. By way of a letter dated August 19, 2008, AUI filed the requested information. Accordingly, for the purposes of this Cost Order, the Commission considers the cost process to have closed on August 19, 2008.

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS

When assessing a cost claim pursuant to section 21 of the AUC Act, the Commission applies Rule 022, *Rules on Intervener Costs* ([Rule 022](#)). Before exercising its discretion to award costs, the Commission must consider whether the 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.

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.

3 VIEWS OF THE COMMISSION - ASSESSMENT

The Commission received one cost claim, from AUI, totaling \$18,977.48. This amount consisted of external legal fees of \$10,798.80 and Notice costs of \$8,178.68. No GST was claimed by AUI.

AUI filed a letter on August 19, 2008 which responded to the Commission request for additional information regarding its cost claim for legal fees. AUI's letter confirmed that the legal fees being claimed were for preparation of the Application and for share issuance costs, and the fees were \$6,112.30 and \$4,686.50 respectively.

The Commission has reviewed the costs submitted by AUI, bearing in mind the principles specified in the Commission's *Scale of Costs* set out in Appendix A to Rule 022. The Commission notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. However, the Commission finds that the costs associated with the share issuance itself to be inappropriate for inclusion in AUI's hearing cost reserve account and accordingly, AUI's claim for legal fees should be reduced by \$4,686.50. The Commission finds the balance of the cost claim to be reasonable and considers the amount of \$14,290.98 to be reasonable for this Order, representing applicant costs awarded for fees and disbursements.

4 ORDER

IT IS HEREBY ORDERED:

1. AltaGas Utilities Inc. external costs in the amount of \$14,290.98 are approved, as shown in Appendix A.
2. AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed amount of 14,290.98.

Dated in Calgary, Alberta on this 17th day of September, 2008.

ALBERTA UTILITIES COMMISSION

<Originally Signed By Thomas McGee>

Thomas McGee
Commissioner

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



Appendix A

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**AUI
Cost Application No. 1567912**

**Authority to Issues Common Shares
(1558635)**

Summary of Costs Claimed and 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)
APPLICANT								
AltaGas Utilities Inc.								
MacPherson Leslie & Tyerman LLP	\$10,798.80	\$0.00	\$0.00	\$10,798.80	\$6,112.30	\$0.00	\$0.00	\$6,112.30
AltaGas Utilities Inc.	\$0.00	\$8,178.68	\$0.00	\$8,178.68	\$0.00	\$8,178.68	\$0.00	\$8,178.68
Sub-Total	\$10,798.80	\$0.00	\$0.00	\$18,977.48	\$6,112.30	\$0.00	\$0.00	\$14,290.98
INTERVENERS								
No Intervener Costs Filed								
TOTAL INTERVENER AND APPLICANT COSTS	\$10,798.80	\$8,178.68	\$0.00	\$18,977.48	\$6,112.30	\$8,178.68	\$0.00	\$14,290.98