



# ATCO Gas North & South

Retailer Service and Gas Utilities Act Compliance  
Module 3, Part I

Cost Awards

**ALBERTA ENERGY AND UTILITIES BOARD**  
Utility Cost Order 2008-035: ATCO Gas North & South  
Retailer Service and Gas Utilities Act Compliance  
Module 3, Part I  
Application No. 1482246  
Cost Application No. 1559589

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

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**ATCO Gas North & South  
Retailer Service and Gas Utilities Act Compliance  
Module 3, Part I**

**Utility Cost Order 2008-035  
Application No. 1482246  
Cost Application No. 1559589**

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## 1 INTRODUCTION

On October 11, 2006 ATCO Gas North (AGN) and ATCO Gas South (AGS), collectively known as ATCO Gas (AG) filed an application (Application) addressing a proposal for commencement of the Module 3 collaborative process to advance Retailer Service and GUA Compliance (Retailer Service) with the Alberta Energy and Utilities Board (EUB or the Board). This Application is the latest in a series of several applications resulting from Application No. 1308709, ATCO Gas Retailer Service and Gas Utilities Act Compliance, which was filed with the Board on July 25, 2003 (the 2003 Application).

In Decision [2006-098](#)<sup>1</sup> the Board directed that Module 3 should include an assessment of the accuracy arising from a one-year test of the Daily Forecasting and Settlement System (DFSS) that commenced on November 1, 2006.

On October 3, 2007 AG requested that the Board address the following issues:

- Imbalance Purchase/Sale Price
- Retailer Prudential Requirements
- Account Monitoring Rules
- Load Balancing Account Administration

The Board considered the Application by way of a written process. The Panel assigned to consider the Application consisted of Mr. B.T. McManus, Q.C.) Presiding Member and Ms. C. Dahl Rees, LL.B. (Member).

The Board received written argument followed by reply argument from interested parties on January 11, 2008. AG provided comments of clarification in a letter of January 14, 2008. The Board considers the record to have closed on January 14, 2008.

On March 17, 2008 the Board issued Decision [2008-021](#).

On February 21, 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 February 28, 2008. The Board did not receive any comments. Accordingly, the Board considers, for the purposes of this Cost Order, the cost process to have closed on February 28, 2008.

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<sup>1</sup> Decision 2006-098 – ATCO Gas Retailer Service and Gas Utilities Act Compliance Phase 2 Part B Customer Account Balancing and Load Balancing (Application No. 1411635), Released: October 10, 2006, Errata released: November 7, 2006

## 2 VIEWS OF THE BOARD – Authority to Award Costs

When assessing a cost claim pursuant to section 68, the Board is guided by Part 5 of its *Rules of Practice*, [AR 101/2001](#) and by the principles and policies expressed in Directive 031B, *Guidelines for Utility Cost Claims* ([Directive 031B](#)). Before exercising its discretion to award costs, the Board must consider the effectiveness of a participant's contribution to the process, its relevance to the issues, and whether the costs claimed are fair and reasonable in light of the scope and nature of the issues in question.

In the Board's view, the responsibility to contribute positively to the process is inherent in the choice to intervene in a proceeding. The Board 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. When determining a cost award, the Board will consider if the participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Board. To the extent reasonably possible, the Board will be mindful of participants' willingness to co-operate with the Board and other participants to promote an efficient and cost-effective proceeding.

As the costs of a utility proceeding are generally passed on to customers, it is the Board's duty to ensure that customers receive fair value for a party's contribution. As such, the Board only approves those costs that are reasonable and directly and necessarily related to the party's participation in the proceeding.

## 3 VIEWS OF THE BOARD - Assessment

Various participants submitted cost claims totalling \$80,039.83 including actual GST of \$550.36 with respect to the Proceeding.

The Board has reviewed the costs submitted by the participants, bearing in mind the principles specified in the Board's *Scale of Costs* set out in Appendix C to [Directive 031B](#). The Board finds that the participation of the applicant and interveners was, for the most part, effective and of assistance in reviewing the Application. The Board notes the scope and complexity of the issues before it and the extent of the examination thereof. The Board also notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. Accordingly, the Board considers the claims for fees, disbursements, and applicable GST for all participants to be reasonable as outlined in [Appendix A](#) and [Appendix B](#) to this Order in the total amount of \$80,039.83.

## 4 GST

In accordance with the Board's treatment of the GST on cost awards, AGN and AGS are 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 Board has reduced this particular portion of their claim. Eligible GST approved by the Board amounts to \$550.36 as shown in column (g) of [Appendix A](#) and [Appendix B](#). The GST allowed by the Board may also be charged against AG's Hearing Cost Reserve Account.

The Board 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 North shall pay intervener costs in the amount of \$2,800.20, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North external costs in the amount of \$8,933.69, as set out in column (h) of [Appendix A](#), are approved.
3. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$11,733.89, as set out in column (h) of [Appendix A](#).
4. ATCO Gas South shall pay intervener costs in the amount of \$59,372.25, as set out in column (h) of [Appendix B](#).
5. ATCO Gas South external costs in the amount of \$8,933.69, as set out in column (h) of [Appendix B](#), are approved.
6. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$68,305.94, as set out in column (h) of [Appendix B](#).

Dated in Calgary, Alberta on this 20<sup>th</sup> day of June, 2008.

### ALBERTA ENERGY AND UTILITIES BOARD

*<Originally Signed By Thomas McGee>*

Thomas McGee  
EUB Board Member

## **APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED**



Appendix A - ATCO  
Gas North

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## **APPENDIX B – SUMMARY OF COSTS CLAIMED AND AWARDED**



Appendix B - ATCO  
Gas South

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AGN  
 Cost Application No. 1559589

Retailer Service GUA Compliance Module 3

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)
<b>APPLICANT</b>								
ATCO Gas North								
Bennett Jones LLP	\$7,906.25	\$16.04	\$0.00	\$7,922.29	\$7,906.25	\$16.04	\$0.00	\$7,922.29
ATCO Gas North	\$0.00	\$1,011.40	\$0.00	\$1,011.40	\$0.00	\$1,011.40	\$0.00	\$1,011.40
Sub-Total	\$7,906.25	\$1,027.44	\$0.00	\$8,933.69	\$7,906.25	\$1,027.44	\$0.00	\$8,933.69
<b>INTERVENERS</b>								
Alberta Urban Municipalities Association & The City of Edmonton								
Bryan & Company.	\$400.00	\$4.30	\$20.22	\$424.52	\$400.00	\$4.30	\$20.22	\$424.52
Robert L. Bruggeman Regulatory Consulting Ltd.	\$2,065.00	\$197.55	\$113.13	\$2,375.68	\$2,065.00	\$197.55	\$113.13	\$2,375.68
Sub-Total	\$2,465.00	\$201.85	\$133.35	\$2,800.20	\$2,465.00	\$201.85	\$133.35	\$2,800.20
Consumers' Coalition of Alberta								
Wachowich & Company	\$1,158.00	\$0.00	\$57.90	\$1,215.90	\$1,158.00	\$0.00	\$57.90	\$1,215.90
Regulatory Services, Inc.	\$3,667.00	\$95.61	\$225.76	\$3,988.37	\$3,667.00	\$95.61	\$225.76	\$3,988.37
Sub-Total	\$4,825.00	\$95.61	\$283.66	\$5,204.27	\$4,825.00	\$95.61	\$283.66	\$5,204.27
TOTAL INTERVENER COSTS	\$2,465.00	\$201.85	\$133.35	\$2,800.20	\$2,465.00	\$201.85	\$133.35	\$2,800.20
TOTAL INTERVENER AND APPLICANT COSTS	\$10,371.25	\$1,229.29	\$133.35	\$11,733.89	\$10,371.25	\$1,229.29	\$133.35	\$11,733.89



AGS  
Cost Application No. 1559589

Retailer Service GUA Compliance Module 3

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)
<b>APPLICANT</b>								
<b>ATCO Gas South</b>								
Bennett Jones LLP	\$7,906.25	\$16.04	\$0.00	\$7,922.29	\$7,906.25	\$16.04	\$0.00	\$7,922.29
ATCO Gas South	\$0.00	\$1,011.40	\$0.00	\$1,011.40	\$0.00	\$1,011.40	\$0.00	\$1,011.40
<b>Sub-Total</b>	<b>\$7,906.25</b>	<b>\$1,027.44</b>	<b>\$0.00</b>	<b>\$8,933.69</b>	<b>\$7,906.25</b>	<b>\$1,027.44</b>	<b>\$0.00</b>	<b>\$8,933.69</b>
<b>INTERVENERS</b>								
<b>Alberta Urban Municipalities Association/The City of Edmonton</b>								
Bryan & Company.	\$400.00	\$4.30	\$20.22	\$424.52	\$400.00	\$4.30	\$20.22	\$424.52
Robert L. Bruggeman Regulatory Consulting Ltd.	\$2,065.00	\$197.55	\$113.13	\$2,375.68	\$2,065.00	\$197.55	\$113.13	\$2,375.68
<b>Sub-Total</b>	<b>\$2,465.00</b>	<b>\$201.85</b>	<b>\$133.35</b>	<b>\$2,800.20</b>	<b>\$2,465.00</b>	<b>\$201.85</b>	<b>\$133.35</b>	<b>\$2,800.20</b>
<b>City of Calgary</b>								
Burnet, Duckworth & Palmer	\$31,150.00	\$139.09	\$0.00	\$31,289.09	\$31,150.00	\$139.09	\$0.00	\$31,289.09
Energy Group, Inc.	\$6,878.69	\$0.00	\$0.00	\$6,878.69	\$6,878.69	\$0.00	\$0.00	\$6,878.69
Stephen Johnson	\$13,200.00	\$0.00	\$0.00	\$13,200.00	\$13,200.00	\$0.00	\$0.00	\$13,200.00
<b>Sub-Total</b>	<b>\$51,228.69</b>	<b>\$139.09</b>	<b>\$0.00</b>	<b>\$51,367.78</b>	<b>\$51,228.69</b>	<b>\$139.09</b>	<b>\$0.00</b>	<b>\$51,367.78</b>
<b>Consumers' Coalition of Alberta</b>								
Wachowich & Company	\$1,158.00	\$0.00	\$57.90	\$1,215.90	\$1,158.00	\$0.00	\$57.90	\$1,215.90
Regulatory Services, Inc.	\$3,667.00	\$95.61	\$225.76	\$3,988.37	\$3,667.00	\$95.61	\$225.76	\$3,988.37
<b>Sub-Total</b>	<b>\$4,825.00</b>	<b>\$95.61</b>	<b>\$283.66</b>	<b>\$5,204.27</b>	<b>\$4,825.00</b>	<b>\$95.61</b>	<b>\$283.66</b>	<b>\$5,204.27</b>
<b>TOTAL INTERVENER COSTS</b>	<b>\$58,518.69</b>	<b>\$436.55</b>	<b>\$417.01</b>	<b>\$59,372.25</b>	<b>\$58,518.69</b>	<b>\$436.55</b>	<b>\$417.01</b>	<b>\$59,372.25</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$66,424.94</b>	<b>\$1,463.99</b>	<b>\$417.01</b>	<b>\$68,305.94</b>	<b>\$66,424.94</b>	<b>\$1,463.99</b>	<b>\$417.01</b>	<b>\$68,305.94</b>