



ATCO Gas

2008-2009 General Rate Application

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Utility Cost Order 2008-037: ATCO Gas

2008-2009 General Rate Application

Application No. 1544779

Cost Application No. 1553418

Published by

Alberta Energy and Utilities Board

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

**ATCO Gas
2008-2009 General Rate Application**

**Utility Cost Order 2008-037
Application No. 1544779
Cost Application No. 1553418**

1 INTRODUCTION

On November 2, 2007 ATCO Gas (AG) filed an Application with the Alberta Energy and Utilities Board (EUB or the Board) respecting its 2008-2009 General Rate Application (GRA).

By way of letter dated December 12, 2008 the Board commented on Bill 46.

...Bill 46 was passed by the Alberta Legislature as the Alberta Utilities Commission Act (AUC Act). Based on the amendments to the legislation, the Board considers that parties may have different views than previously on the issue of intervenor funding for future proceedings.

The Board also noted that there were issues with some parties not being able to meet the information request (IR) deadline of December 14, 2007.

Given this delay the Board noted the following.

In light of the above delay in the submission of information requests, the objections raised by parties to the current Staff run process, and the recent enactment of the AUC Act, which provides for the establishment of the AUC, effective January 1, 2008, the Board considers that it would be appropriate to restart this proceeding as an AUC process. Therefore the Board will suspend the process set out by Staff to deal with this Application, and close the current Staff proceeding.

In order to restart the process as an AUC file, the Board directed AG to re-file their Application on January 2, 2008.

By way of letter dated November 13, 2007 the Board provided the following remarks regarding the treatment of costs.

Intervenors who participate in this process will be eligible for cost recovery until December 31, 2007 under the Board's existing guidelines. Commencing January 1, 2008, cost recovery for participation in this Application will fall under the guidelines established by the AUC.

On January 23, 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 January 30, 2007. 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 January 30, 2007.

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 costs totalling \$147,674.88 including actual GST of \$837.28.

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 \$147,674.88.

4 GST

In accordance with the Board's treatment of the GST on cost awards, ATCO Gas 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 Board has reduced this particular portion of their claim. Eligible GST approved by the Board amounts to \$837.28 as shown in column (g) of [Appendix A](#) and [Appendix B](#). The GST allowed by the Board may also be charged against ATCO Gas 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 \$10,782.19, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North external costs in the amount of \$62,015.50, 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 \$72,797.69, as set out in column (h) of [Appendix A](#).
4. ATCO Gas South shall pay intervener costs in the amount of \$12,361.69, as set out in column (h) of [Appendix B](#).
5. ATCO Gas South external costs in the amount of \$62,515.50, 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 \$74,877.19, as set out in column (h) of [Appendix B](#).

Dated in Calgary, Alberta on this 24th 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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**ATCO Gas North
Cost Application No. 1553418**

**2008-2009 GTA
(1544779)**

Total 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								
ATCO Gas North								
Bennett Jones LLP	\$27,447.50	\$87.54	\$0.00	\$27,535.04	\$27,447.50	\$87.54	\$0.00	\$27,535.04
Gannett Fleming, Inc.	\$2,615.50	\$0.00	\$0.00	\$2,615.50	\$2,615.50	\$0.00	\$0.00	\$2,615.50
Foster Associates, Inc.	\$26,296.77	\$0.00	\$0.00	\$26,296.77	\$26,296.77	\$0.00	\$0.00	\$26,296.77
ATCO Gas North	\$0.00	\$5,568.19	\$0.00	\$5,568.19	\$0.00	\$5,568.19	\$0.00	\$5,568.19
Sub-Total	\$56,359.77	\$5,655.73	\$0.00	\$62,015.50	\$56,359.77	\$5,655.73	\$0.00	\$62,015.50
INTERVENERS								
Consumers' Coalition of Alberta								
Wachowich & Company	\$1,351.25	\$0.00	\$81.08	\$1,432.33	\$1,351.25	\$0.00	\$81.08	\$1,432.33
Regulatory Services, Inc.	\$5,605.00	\$21.05	\$337.56	\$5,963.61	\$5,605.00	\$21.05	\$337.56	\$5,963.61
Sub-Total	\$6,956.25	\$21.05	\$418.64	\$7,395.94	\$6,956.25	\$21.05	\$418.64	\$7,395.94
Public Institutional Consumers of Alberta								
Energy Management & Regulatory Consulting Ltd.	\$2,636.25	\$0.00	\$0.00	\$2,636.25	\$2,636.25	\$0.00	\$0.00	\$2,636.25
Nancy J. McKenzie	\$750.00	\$0.00	\$0.00	\$750.00	\$750.00	\$0.00	\$0.00	\$750.00
Sub-Total	\$3,386.25	\$0.00	\$0.00	\$3,386.25	\$3,386.25	\$0.00	\$0.00	\$3,386.25
TOTAL INTERVENER COSTS	\$10,342.50	\$21.05	\$418.64	\$10,782.19	\$10,342.50	\$21.05	\$418.64	\$10,782.19
TOTAL INTERVENER AND APPLICANT COSTS	\$66,702.27	\$5,676.78	\$418.64	\$72,797.69	\$66,702.27	\$5,676.78	\$418.64	\$72,797.69

ATCO Gas South
Cost Application No. 1553418

2008-2009 GTA
(1544779)

Total 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								
ATCO Gas South								
Bennett Jones LLP	\$27,447.50	\$87.54	\$0.00	\$27,535.04	\$27,447.50	\$87.54	\$0.00	\$27,535.04
Gannett Fleming, Inc.	\$2,615.50	\$0.00	\$0.00	\$2,615.50	\$2,615.50	\$0.00	\$0.00	\$2,615.50
Foster Associates, Inc.	\$26,796.78	\$0.00	\$0.00	\$26,796.78	\$26,796.78	\$0.00	\$0.00	\$26,796.78
ATCO Gas South	\$0.00	\$5,568.18	\$0.00	\$5,568.18	\$0.00	\$5,568.18	\$0.00	\$5,568.18
Sub-Total	\$56,859.78	\$5,655.72	\$0.00	\$62,515.50	\$56,859.78	\$5,655.72	\$0.00	\$62,515.50
INTERVENERS								
Alberta Sugar Beet Growers/Potato Growers of Alberta								
Unryn & Associates Ltd.	\$1,579.50	\$0.00	\$0.00	\$1,579.50	\$1,579.50	\$0.00	\$0.00	\$1,579.50
Sub-Total	\$1,579.50	\$0.00	\$0.00	\$1,579.50	\$1,579.50	\$0.00	\$0.00	\$1,579.50
Consumers Coalition of Alberta								
Wachowich & Company	\$1,351.25	\$0.00	\$81.08	\$1,432.33	\$1,351.25	\$0.00	\$81.08	\$1,432.33
Regulatory Services, Inc.	\$5,605.00	\$21.05	\$337.56	\$5,963.61	\$5,605.00	\$21.05	\$337.56	\$5,963.61
Sub-Total	\$6,956.25	\$21.05	\$418.64	\$7,395.94	\$6,956.25	\$21.05	\$418.64	\$7,395.94
Public Institutional Consumers of Alberta								
Energy Management & Regulatory Consulting Ltd.	\$2,636.25	\$0.00	\$0.00	\$2,636.25	\$2,636.25	\$0.00	\$0.00	\$2,636.25
Nancy J. McKenzie Professional Corp.	\$750.00	\$0.00	\$0.00	\$750.00	\$750.00	\$0.00	\$0.00	\$750.00
Sub-Total	\$3,386.25	\$0.00	\$0.00	\$3,386.25	\$3,386.25	\$0.00	\$0.00	\$3,386.25
TOTAL INTERVENER COSTS	\$11,922.00	\$21.05	\$418.64	\$12,361.69	\$11,922.00	\$21.05	\$418.64	\$12,361.69
TOTAL INTERVENER AND APPLICANT COSTS	\$68,781.78	\$5,676.77	\$418.64	\$74,877.19	\$68,781.78	\$5,676.77	\$418.64	\$74,877.19