



ATCO Gas

2003-2004 General Rate Application – Phase II
Topic 2
Terms and Conditions of Service

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Utility Cost Order 2007-037: ATCO Gas
2003-2004 General Rate Application – Phase II
Topic 2 – Terms and Conditions of Service
Application No. 1416346
Cost Application No. 1487866

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Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040

Web site: www.eub.gov.ab.ca

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

ATCO Gas
2003-2004 General Rate Application
Phase II - Topic 2
Terms and Conditions of Service

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1 INTRODUCTION

The Alberta Energy and Utilities Board (EUB or Board) received an application from ATCO Gas (AG) on August 31, 2005 for the approval of a 2003-2004 General Rate Application (GRA) Phase II, (the Application).

The Board separated the Application into 5 topics. A summary of the disposition of the 5 topics is provided below.

Topic 1	Final approval of 2003 and 2004 rates	Decision 2006-062
Topic 2	Transmission Service Charge Rider	Decision 2006-083
Topic 3	Terms and Conditions of Service	Decision 2006-075
Topic 4	Concepts and principles for the 2005-2007 GRA Phase II	Decision 2007-026
Topic 5	One revenue requirement with separate rate zones	Withdrawn

The Board considered the costs incurred for topic 1 in Utility Cost Order [2006-047](#)¹, and costs related to topic 3 in Utility Cost Order [2006-059](#)². This Cost Order will consider the costs incurred for Topic 2.

On January 27, 2006, the Board issued Decision [2006-004](#) relating to the AG 2005-2007 GRA Phase I. On March 17, 2006, AG submitted its 2005-2007 GRA Phase I refiling (the Compliance Filing) incorporating Board adjustments pursuant to Decision 2006-004. On August 11, 2006, the Board issued Decision 2006-083 relating to the Compliance Filing.

In the Board's Process Schedule for topics 4 and 5, issued October 26, 2006, the Board advised interested parties that it was satisfied that no further process was required for topic 2, given the findings in Decision 2006-083.

Following the close of record for topic 4, and the withdrawal of topic 5, the EUB advised interested parties to file a cost claim for topic 2, topic 4, and topic 5 by March 26, 2007³.

On March 29, 2007, a summary of the costs being claimed for Topic 2 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 12, 2007. The Board

¹ October 1, 2006

² November 21, 2006

³ EUB letter dated March 1, 2007

did not receive any comments. Accordingly, the Board considers, for the purposes of this Cost Order, the cost process to have closed on April 12, 2007.

2 VIEWS OF THE BOARD – Authority to Award Costs

The Board's authority to award costs is derived from section 68 of the *Public Utilities Board Act*, R.S.A. 2000, c. P-45, which states in part:

- (1) The costs of and incidental to any proceeding before the Board, except as otherwise provided for in this Act, are in the discretion of the Board, and may be fixed in any case at a sum certain or may be taxed.

...

- (3) The Board may order by whom or to whom any costs are to be paid, and by whom they are to be taxed and allowed.

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 \$17,873.26 including actual GST of \$853.95 with respect to the Proceeding. The claimants have allocated their cost claims among ATCO Gas North (AGN); \$1,439.89 and ATCO Gas South (AGS); \$16,433.37.

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 parties 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 expenses were in accordance with the *Scale of Costs*. Accordingly, the Board considers the claims for fees and disbursements for all participants to be reasonable.

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 \$142.08, and is allocated equally between AGN and AGS, being \$71.04 each. The GST allowed by the Board may be charged against each Applicant's respective 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 \$1,439.89, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$1,439.89, as set out in column (h) of [Appendix A](#).
3. ATCO Gas South shall pay intervener costs in the amount of \$15,721.50, as set out in column (h) of [Appendix B](#).
4. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$15,721.50, as set out in column (h) of [Appendix B](#).

Dated in Calgary, Alberta on this 7th day of May, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

<Original Signed by Thomas McGee>

Thomas McGee
Board Member

APPENDIX A – Summary of Costs Claimed and Awarded (AGN)



Appendix A (AGN)

APPENDIX B – Summary of Costs Claimed and Awarded (AGS)



Appendix B (AGS)

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**ATCO Gas North
GRA Phase II
Topic 2 - Terms and Conditions of Service
(1416346)**

**Costs Claimed and Awarded
Cost No. 1487866**

	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								
ATCO Gas North	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INTERVENERS								
Alberta Urban Municipalities Association/City of Edmonton								
Bryan & Company	\$262.60	\$0.00	\$15.76	\$278.36	\$262.60	\$0.00	\$15.76	\$278.36
Robert Bruggeman Regulatory Consulting ltd.	\$918.75	\$2.50	\$55.28	\$976.53	\$918.75	\$2.50	\$55.28	\$976.53
Sub-Total	\$1,181.35	\$2.50	\$71.04	\$1,254.89	\$1,181.35	\$2.50	\$71.04	\$1,254.89
Rate 13 Group								
Sproule Management	\$185.00	\$0.00	\$0.00	\$185.00	\$185.00	\$0.00	\$0.00	\$185.00
Sub-Total	\$185.00	\$0.00	\$0.00	\$185.00	\$185.00	\$0.00	\$0.00	\$185.00
TOTAL INTERVENER COSTS	\$1,366.35	\$2.50	\$71.04	\$1,439.89	\$1,366.35	\$2.50	\$71.04	\$1,439.89
TOTAL INTERVENER AND APPLICANT COSTS	\$1,366.35	\$2.50	\$71.04	\$1,439.89	\$1,366.35	\$2.50	\$71.04	\$1,439.89

**ATCO Gas South
GRA Phase II
Topic 2 - Terms and Conditions of Service
(1416346)**

**Costs Claimed and Awarded
Cost No. 1487866**

	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								
ATCO Gas South	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INTERVENERS								
Alberta Urban Municipalities Association/City of Edmonton								
Bryan & Company	\$262.60	\$0.00	\$15.76	\$278.36	\$262.60	\$0.00	\$15.76	\$278.36
Robert Bruggeman Regulatory Consulting Ltd.	\$918.75	\$2.50	\$55.28	\$976.53	\$918.75	\$2.50	\$55.28	\$976.53
Sub-Total	\$1,181.35	\$2.50	\$71.04	\$1,254.89	\$1,181.35	\$2.50	\$71.04	\$1,254.89
The City of Calgary								
Energy Group Inc.	\$2,602.09	\$0.00	\$0.00	\$2,602.09	\$2,602.09	\$0.00	\$0.00	\$2,602.09
McLennan Ross LLP	\$11,462.00	\$402.52	\$711.87	\$12,576.39	\$11,462.00	\$402.52	\$0.00	\$11,864.52
Sub-Total	\$14,064.09	\$402.52	\$711.87	\$15,178.48	\$14,064.09	\$402.52	\$0.00	\$14,466.61
Rate 13 Group								
Sproule Management	\$185.00	\$0.00	\$0.00	\$185.00	\$185.00	\$0.00	\$0.00	\$185.00
Sub-Total	\$185.00	\$0.00	\$0.00	\$185.00	\$185.00	\$0.00	\$0.00	\$185.00
TOTAL INTERVENER COSTS								
	\$15,245.44	\$405.02	\$782.91	\$16,433.37	\$15,245.44	\$405.02	\$71.04	\$15,721.50
TOTAL INTERVENER AND APPLICANT COSTS								
	\$15,245.44	\$405.02	\$782.91	\$16,433.37	\$15,245.44	\$405.02	\$71.04	\$15,721.50