



# ATCO Gas North

2005-2007 General Rate Application  
Interim Rate Application

Cost Awards

**ALBERTA ENERGY AND UTILITIES BOARD**

Utility Cost Order 2006-005: ATCO Gas North

2005-2007 General Rate Application

Interim Rate Application

Application No. 1404168

Cost Application No.: 1416901

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

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## 1 INTRODUCTION

ATCO Gas (AG) filed a General Rate Application (GRA) for the 2005-2007 test period on May 13, 2005. On June 8, 2005, AG filed an application with the Board requesting approval for proposed rates on an interim basis. AG proposed that the interim rates would be effective September 1, 2005, and would reflect an increase in revenue from existing 2004 rates in the amount of \$9.3 million for ATCO Gas North (AGN). No interim rate increase was requested for ATCO Gas South (AGS).

The Board dealt with the matter by way of a written process and was considered by panel members Brad McManus, Gordon Miller and Laurie Bayda. The Board issued its disposition by way of [Decision 2005-099](#) issued August 29, 2005.

On October 13, 2006 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 October 28, 2005. 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 October 28, 2005.

## 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' will 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 \$7,612.02 including actual GST of \$467.97 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 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](#) to this Order in the total amount of \$7,612.02.

### **4 GST**

In accordance with the Board's treatment of the GST on cost awards, AGN 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 \$467.97 as shown in column (g) of [Appendix A](#). The GST allowed by the Board may also be charged against AGN'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 \$7,162.02, as set out in column (h) of [Appendix A](#).

2. ATCO Gas North's external costs in the amount of \$450.00, 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 \$7,612.02, as set out in column (h) of [Appendix A](#).

Dated in Calgary, Alberta on this 6<sup>th</sup> day of February, 2006.

**ALBERTA ENERGY AND UTILITIES BOARD**

*<Original Signed by Thomas McGee>*

**Thomas McGee**  
**Board Member**

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



Appendix A (AGN  
2005-2007 GRA, Inte

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AGN  
Cost No. 1416901

2005-2007 General Rate Application; Interim Rate  
(1404168)

Summary of Total Costs Claimed and Awarded

	Total Fees Claimed (a)	Total Expenses Claimed (b)	Total GST Claimed (c)	Total Amount Claimed (d)	Total Fees Claimed (e)	Total Expenses Claimed (f)	Total GST Claimed (g)	Total Amount Claimed (h)
<b>APPLICANT</b>								
ATCO Gas								
Bennett Jones LLP	\$450.00	\$0.00	\$0.00	\$450.00	\$450.00	\$0.00	\$0.00	\$450.00
Sub-Total	\$450.00	\$0.00	\$0.00	\$450.00	\$450.00	\$0.00	\$0.00	\$450.00
<b>INTERVENERS</b>								
Alberta Urban Municipalities Association/City of Edmonton								
Bryan & Company	\$950.00	\$4.00	\$66.78	\$1,020.78	\$950.00	\$4.00	\$66.78	\$1,020.78
Robert Bruggeman Regulatory Consulting Ltd.	\$3,937.50	\$0.00	\$275.63	\$4,213.13	\$3,937.50	\$0.00	\$275.63	\$4,213.13
Sub-Total	\$4,887.50	\$4.00	\$342.41	\$5,233.91	\$4,887.50	\$4.00	\$342.41	\$5,233.91
Consumers' Coalition of Alberta								
Professional Regulatory Services, Inc.	\$1,793.75	\$8.80	\$125.56	\$1,928.11	\$1,793.75	\$8.80	\$125.56	\$1,928.11
Sub-Total	\$1,793.75	\$8.80	\$125.56	\$1,928.11	\$1,793.75	\$8.80	\$125.56	\$1,928.11
<b>TOTAL INTERVENER COSTS</b>								
	\$6,681.25	\$12.80	\$467.97	\$7,162.02	\$6,681.25	\$12.80	\$467.97	\$7,162.02
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>								
	\$7,131.25	\$12.80	\$467.97	\$7,612.02	\$7,131.25	\$12.80	\$467.97	\$7,612.02