



AltaGas Utilities Inc.

Interim Refundable Rates and 2005
Deficiency Rider Application

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Utility Cost Order 2006-022 AltaGas Utilities Inc.

Interim Refundable Rates and 2005

Deficiency Rider Application

Application No. 1436060

Cost Application No. 1451418

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Contents

1	INTRODUCTION.....	1
2	VIEWS OF THE BOARD – AUTHORITY TO AWARD COSTS.....	1
3	VIEWS OF THE BOARD - ASSESSMENT	2
4	GST.....	2
5	ORDER	2
	APPENDIX A – Summary of Costs Claimed and Awarded.....	4

ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

**AltaGas Utilities Inc.
Interim Refundable Rates and
2005 Deficiency Rider**

**Utility Cost Order 2006-022
Application No. 1436060
Cost Application No. 1451418**

1 INTRODUCTION

On December 16, 2005, AltaGas Utilities Inc. (AUI) filed an application (Application No. 1436060) with the Alberta Energy and Utilities Board (Board/EUB) requesting approval of interim refundable rates and a 2005 deficiency rider effective March 1, 2006.

The Board received a letter from the Consumer Group which indicated that it did not oppose AUI's requested interim rates but suggested that the 2005 shortfall of \$3.5 million to be recovered through a deficiency rider be collected over a minimum 3-month period. The matter was dealt with by way of a written process and on February 21, 2006 the Board issued Order [U2006-41](#).

On April 4, 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 April 18, 2006. 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 April 18, 2006.

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

The Board received one cost claim from the Alberta Urban Municipalities Association (AUMA) totalling \$1,790.58 including actual GST of \$117.13 with respect to the Proceeding.

The Board has reviewed the costs submitted by AUMA, 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 AUMA 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 AUMA to be reasonable as outlined in [Appendix A](#) to this Order in the total amount of \$1,790.58.

4 GST

In accordance with the Board's treatment of the GST on cost awards, AUI 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 \$117.13 as shown in column (g) of [Appendix A](#). The GST allowed by the Board may also be charged against AUI'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. AltaGas Utilities Inc. shall pay intervener costs in the amount of \$1,790.13, as set out in column (h) of [Appendix A](#).

2. AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$1,790.13, as set out in column (h) of [Appendix A](#).

Dated in Calgary, Alberta on this 19th day of June, 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

[\(Back to Table of Contents\)](#)

**AltaGas
Interim Refundable Rates and 2005 Deficiency Rider
App. No. 1436060
Cost App. No. 1451418**

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.								
AltaGas Utilities Inc.	\$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								
Bryan & Company	\$750.00	\$1.40	\$52.59	\$803.99	\$750.00	\$1.40	\$52.59	\$803.99
Robert Bruggeman Regulatory Consulting Ltd.	\$918.75	\$3.30	\$64.54	\$986.59	\$918.75	\$3.30	\$64.54	\$986.59
Sub-Total	\$1,668.75	\$4.70	\$117.13	\$1,790.58	\$1,668.75	\$4.70	\$117.13	\$1,790.58
TOTAL INTERVENER COSTS	\$1,668.75	\$4.70	\$117.13	\$1,790.58	\$1,668.75	\$4.70	\$117.13	\$1,790.58
TOTAL INTERVENER AND APPLICANT COSTS	\$1,668.75	\$4.70	\$117.13	\$1,790.58	\$1,668.75	\$4.70	\$117.13	\$1,790.58