



AltaGas Utilities Inc.

**Application for Approval to Issue a Debenture in the
Principal Amount of \$20,000,000**

Costs Awards

August 7, 2012

The Alberta Utilities Commission

Decision 2012-214: AltaGas Utilities Inc.

Application for Approval to Issue a Debenture in the Principal Amount of \$20,000,000
Costs Award

Application No. 1608528

Proceeding ID No. 1936

August 7, 2012

Published by

The Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Web site: www.auc.ab.ca

Contents

1	Introduction.....	1
2	Background	1
3	Views of the Commission – authority to award costs	2
4	Views of the Commission - assessment.....	2
5	Order	3

AltaGas Utilities Inc.
Application for Approval to Issue a
Debenture in the Principal Amount of \$20,000,000
Costs Awards

Decision 2012-214
Application No. 1608528
Proceeding ID No. 1936

1 Introduction

1. On April 19, 2012, AltaGas Utilities Inc. (AUI) filed an application with the Alberta Utilities Commission (AUC or Commission) pursuant to Section 26(2)(a)(ii) of the *Gas Utilities Act*, RSA 2000, c. G-5 requesting approval and authorization to issue a debenture in the principal amount of \$20,000,000.

2. The Commission issued a notice of application on April 23, 2012, which included a deadline for the filing of statements of intent to participate of May 7, 2012. The Commission did not receive any statements of intent to participate in the proceeding.

3. After reviewing AUI's 2012 debenture approval application, the Commission determined that there was a need for further information and on May 2, 2012, issued a preliminary information request to AUI with a response due date of May 4, 2012.

4. For the purpose of this decision, the Commission considers the record for this proceeding closed on May 7, 2012, being the deadline for the statements of intent to participate to be submitted.

2 Background

5. AUI is the owner of a gas utility to which Section 26(2)(a) of the *Gas Utilities Act* applies. Section 26(2)(a) of the *Gas Utilities Act* states:

(2) No owner of a gas utility designated under subsection (1) shall:

(a) issue any

- (i) of its shares or stocks, or
- (ii) bonds or other evidences of indebtedness, payable in more than one year from the date of them,

unless it has first satisfied the Commission that the proposed issue is to be made in accordance with law and has obtained the approval of the Commission for the purposes of the issue and an order of the Commission authorizing the issue.

6. Consequently, AUI was required to obtain approval from the Commission before issuing any bonds or other forms of indebtedness for terms greater than one year.

7. On May 31, 2012, the Commission issued Decision [2012-147](#)¹.
8. AUI submitted its costs claim on June 8, 2012.
9. On June 11, 2012, the Commission circulated a summary of costs being claimed by AUI to interested parties. Parties were advised that any comments regarding the figures listed in the summary or the merits of the costs claimed were to be filed by June 25, 2012. The Commission did not receive any comments regarding the costs claim submitted in this proceeding. Accordingly, the Commission considers the costs process to have closed on June 25, 2012.

3 Views of the Commission – authority to award costs

10. When assessing costs claims pursuant to Section 21 of the *Alberta Utilities Commission Act*, the Commission applies the AUC Rule 022: *Rules on Intervener Costs in Utility Rate Proceedings* (Rule 022). Rule 022 prescribes a *Scale of Costs* applicable to costs claims.
11. In exercising its discretion to award costs, the Commission must consider whether the participant acted responsibly and contributed to a better understanding of the issues before the Commission, whether the costs claimed are reasonable, and whether the costs claimed were directly and necessarily related to the proceeding. The Commission considers these factors in light of the scope and nature of the issue in question.
12. As the costs of a utility proceeding are generally passed on to customers, it is the Commission's duty to ensure that the customers receive fair value for a party's contribution. As such, the Commission only approves those costs that are reasonable and directly and necessarily related to the party's participation in the proceeding.

4 Views of the Commission - assessment

13. AUI submitted a costs claim totalling \$5,905.99. The costs claim is comprised of legal fees for services rendered by MacPherson Leslie & Tyerman LLP in the amount of \$5,791.00 with disbursements of \$114.99.
14. Regarding the legal fees claimed, the Commission notes that the hourly rate claimed for legal fees of MacPherson Leslie & Tyerman LLP was for counsel with 12 years or more experience, at \$350.00 an hour. However, Mr. Clark was called to the Alberta bar in 2002. Therefore, the Commission has reduced Mr. Clark's hourly rate to \$320.00 an hour, which is the rate under the *Scale of Costs* for counsel with eight to 12 years experience.
15. The Commission has considered the costs claim submitted by AUI, bearing in mind the principle specified in the Commission's *Scale of Costs*, as set out in Appendix A to Rule 022. The Commission finds that the hours incurred are reasonable for the tasks described in the costs claim along with the disbursements claimed. Accordingly, the Commission awards AUI's claim for legal fees and disbursements in the total amount of \$5,680.99.

¹ Decision 2012-147: AltaGas Utilities Inc. Application for Approval to Issue a Debenture in the Principal Amount of \$20,000,000, Application No. 1608354, Proceeding ID No. 1841, Released: May 31, 2012.

5 Order

16. It is hereby ordered that:

- (1) AltaGas Utilities Inc.'s external costs in the total amount of \$5,680.99 are approved, as set out in column (h) of Appendix A.

Dated on August 7, 2012.

The Alberta Utilities Commission

(original signed by)

Bill Lyttle
Commission Member

Total Costs Claimed/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)
APPLICANTS								
AltaGas Utilities Inc.								
MacPherson Leslie & Tyerman LLP	\$5,791.00	\$114.99	\$0.00	\$5,905.99	\$5,566.00	\$114.99	\$0.00	\$5,680.99
Sub-Total	\$5,791.00	\$114.99	\$0.00	\$5,905.99	\$5,566.00	\$114.99	\$0.00	\$5,680.99
ATCO Gas and Pipelines Limited								
No Applicant Costs	\$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
CU Inc.								
No Applicant Costs	\$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
Canadian Utilities Limited								
No Applicant Costs	\$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								
Consumers' Coalition of Alberta								
Regulatory Services Inc.	\$5,198.00	\$12.40	\$260.52	\$5,470.92	\$5,198.00	\$12.40	\$260.52	\$5,470.92
Sub-Total	\$5,198.00	\$12.40	\$260.52	\$5,470.92	\$5,198.00	\$12.40	\$260.52	\$5,470.92
TOTAL INTERVENER COSTS								
	\$5,198.00	\$12.40	\$260.52	\$5,470.92	\$5,198.00	\$12.40	\$260.52	\$5,470.92
TOTAL INTERVENER AND APPLICANT COSTS								
	\$10,989.00	\$127.39	\$260.52	\$11,376.91	\$10,764.00	\$127.39	\$260.52	\$11,151.91