



## ATCO Gas

2005-2007 General Rate Application  
Compliance Filing to Decision 2006-004  
Part A – Interim Rates ATCO Gas South

2005-2007 General Rate Application – Phase I  
Compliance Filing to Decision 2006-004  
Part B

Cost Awards

**ALBERTA ENERGY AND UTILITIES BOARD**

Utility Cost Order 2006-042: ATCO Gas

2005-2007 General Rate Application  
Compliance Filing to Decision 2006-004  
Part A – Interim Rates ATCO Gas South

2005-2007 General Rate Application – Phase I  
Compliance Filing to Decision 2006-004  
Part B

Application No. 1452948  
Cost Application No. 1460939

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

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**ATCO Gas  
2005-2007 General Rate Application  
Compliance Filing to Decision 2006-004  
Part A and B**

**Utility Cost Order 2006-042  
Application No. 1452948  
Cost Application No. 1460939**

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## 1 INTRODUCTION

On January 27, 2006, the Alberta Energy and Utilities Board (EUB/Board) issued Decision [2006-004](#) relating to the ATCO Gas (AG or the Company) 2005-2007 General Rate Application (GRA) Phase I. In Decision 2006-004, the Board directed AG to re-file its 2005-2007 Phase I GRA to incorporate the Board's findings and to provide all of the supporting schedules necessary for the Board to make its final determination respecting the 2005-2007 revenue requirement. On March 17, 2006, AG submitted its 2005-2007 GRA Phase I refiling (the Compliance Filing). On August 11, 2006 the Board issued Decision [2006-083](#).

On May 11, 2006, AG submitted a letter requesting interim approval of Rider J for the South effective June 1, 2006. The Board dealt with Rider J in Decision [2006-064](#): ATCO Gas 2005-2007 General Rate Application Compliance Filing to Decision 2006-004 Part A, released on June 27, 2006.

The Panel assigned to consider the AG applications consisted of B.T. McManus, Q.C. (Presiding), G.J. Miller (Member), and L.J. Bayda (Acting Member).

On June 19, 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 July 4, 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 July 4, 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**

Various participants submitted cost claims totalling \$21,082.37 with respect to ATCO Gas North (AGN) and \$40,656.02 with respect to ATCO Gas South (AGS).

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 \$21,082.37 and as outlined in [Appendix B](#) in the amount of \$40,158.88.

### **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 \$1,039.92 with respect to AGN and \$1,595.58 with respect to AGS. The GST allowed by the Board may also 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 \$15,895.90, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North's external costs in the amount of \$5,186.47, 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 \$21,082.37, as set out in column (h) of [Appendix A](#).
4. ATCO Gas South shall pay intervener costs in the amount of \$34,972.41, as set out in column (h) of [Appendix B](#).
5. ATCO Gas South's external costs in the amount of \$5,186.47, 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 \$40,158.88, as set out in column (h) of [Appendix B](#).

Dated in Calgary, Alberta on this 29<sup>th</sup> day of August 2006.

### 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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AGN  
2005-2007 GRA Compliance Filing (Phase I)

Application No. 1452948  
Cost App. No. 1460939

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)
<b>APPLICANT</b>								
ATCO Gas North								
Bennett Jones LLP	\$5,148.50	\$37.97	\$0.00	\$5,186.47	\$5,148.50	\$37.97	\$0.00	\$5,186.47
Sub-Total	\$5,148.50	\$37.97	\$0.00	\$5,186.47	\$5,148.50	\$37.97	\$0.00	\$5,186.47
<b>INTERVENERS</b>								
Alberta Urban Municipalities Association/City of Edmonton								
Bryan & Company	\$6,147.50	\$52.21	\$433.98	\$6,633.69	\$6,147.50	\$52.21	\$433.98	\$6,633.69
Robert L. Bruggeman	\$4,112.50	\$40.17	\$290.69	\$4,443.36	\$4,112.50	\$40.17	\$290.69	\$4,443.36
Sub-Total	\$10,260.00	\$92.38	\$724.67	\$11,077.05	\$10,260.00	\$92.38	\$724.67	\$11,077.05
Consumers' Coalition of Alberta								
Professional Regulatory Services, Inc.	\$4,462.50	\$41.10	\$315.25	\$4,818.85	\$4,462.50	\$41.10	\$315.25	\$4,818.85
Sub-Total	\$4,462.50	\$41.10	\$315.25	\$4,818.85	\$4,462.50	\$41.10	\$315.25	\$4,818.85
<b>TOTAL INTERVENER COSTS</b>								
	\$14,722.50	\$133.48	\$1,039.92	\$15,895.90	\$14,722.50	\$133.48	\$1,039.92	\$15,895.90
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>								
	\$19,871.00	\$171.45	\$1,039.92	\$21,082.37	\$19,871.00	\$171.45	\$1,039.92	\$21,082.37

AGS  
2005-2007 GRA Compliance Filing (Phase I)

Application No. 1452948  
Cost App. No. 1460939

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)
<b>APPLICANT</b>								
ATCO Gas South								
Bennett Jones LLP	\$5,148.50	\$37.97	\$0.00	\$5,186.47	\$5,148.50	\$37.97	\$0.00	\$5,186.47
Sub-Total	\$5,148.50	\$37.97	\$0.00	\$5,186.47	\$5,148.50	\$37.97	\$0.00	\$5,186.47
<b>INTERVENERS</b>								
Alberta Urban Municipalities Association/City of Edmonton								
Bryan & Company	\$6,147.50	\$52.21	\$433.98	\$6,633.69	\$6,147.50	\$52.21	\$433.98	\$6,633.69
Robert L. Bruggeman	\$4,112.50	\$40.17	\$290.69	\$4,443.36	\$4,112.50	\$40.17	\$290.69	\$4,443.36
Sub-Total	\$10,260.00	\$92.38	\$724.67	\$11,077.05	\$10,260.00	\$92.38	\$724.67	\$11,077.05
City of Calgary								
Stephen Johnson Chartered Accountants	\$4,920.00	\$0.00	\$344.40	\$5,264.40	\$4,920.00	\$0.00	\$147.61	\$5,067.61
McLennan Ross LLP	\$10,120.00	\$3,480.85	\$708.40	\$14,309.25	\$10,120.00	\$3,480.85	\$408.05	\$14,008.90
Sub-Total	\$15,040.00	\$3,480.85	\$1,052.80	\$19,573.65	\$15,040.00	\$3,480.85	\$555.66	\$19,076.51
Consumers' Coalition of Alberta								
Professional Regulatory Services, Inc.	\$4,462.50	\$41.10	\$315.25	\$4,818.85	\$4,462.50	\$41.10	\$315.25	\$4,818.85
Sub-Total	\$4,462.50	\$41.10	\$315.25	\$4,818.85	\$4,462.50	\$41.10	\$315.25	\$4,818.85
<b>TOTAL INTERVENER COSTS</b>								
	\$29,762.50	\$3,614.33	\$2,092.72	\$35,469.55	\$29,762.50	\$3,614.33	\$1,595.58	\$34,972.41
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>								
	\$34,911.00	\$3,652.30	\$2,092.72	\$40,656.02	\$34,911.00	\$3,652.30	\$1,595.58	\$40,158.88