



**ATCO Pipelines, a division of
ATCO Gas and Pipelines Ltd.**

**Compliance Filing to Decision 2012-068
Disposition of Surplus Salt Cavern Assets in the
Fort Saskatchewan Area**

Costs Awards

November 7, 2012

The Alberta Utilities Commission

Decision 2012-298: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.

Compliance Filing to Decision 2012-068

Disposition of Surplus Salt Cavern Assets in the
Fort Saskatchewan Area Costs Awards

Application No. 1608763

Proceeding ID No. 2084

November 7, 2012

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1 Introduction

1. On May 7, 2012, ATCO Pipelines (AP), a division of ATCO Gas and Pipelines Ltd., filed an application with the Alberta Utilities Commission (AUC or Commission) requesting approval of the compliance filing to Decision 2012-068¹, disposition of surplus salt cavern assets in the Fort Saskatchewan area (compliance filing application).

2. In Decision 2012-068, the Commission directed AP to submit a compliance filing with respect to:

- The amount of refund arising from the disposition of the defined “Salt Cavern Excess Assets”² effective July 1, 2009, the withdrawal date.
- The mechanics of the refund.
- Finalization of AP’s 2010-2012 revenue requirement placeholders excluding all amounts associated with the salt cavern excess assets.

3. On April 16, 2012, AP filed an application with the Court of Appeal for leave to appeal Decision 2012-068³. In the compliance filing application, AP recommended that any refund arising from Decision 2012-068 be deferred until after the appeal process. However, in compliance with the AUC’s direction to refund the salt cavern excess assets related revenue requirements, AP recommended that any refund related to the pre-2012 balance of \$21,141,000 be addressed with other deferred account settlements as part of the 2012 final revenue requirement application, and the refund of \$759,000 related to the 2012 revenue requirement be an adjustment to the 2012 base rates to be approved by the AUC as part of the 2012 interim revenue requirement application.⁴

4. Despite AP’s submission that the compliance filing application be deferred until after the appeal process, the Commission chose to proceed with the compliance filing application and on May 8, 2012, the Commission issued a notice of application that required interested parties who

¹ Decision 2012-068: ATCO Pipelines, ATCO Gas and Pipelines Ltd., CU Inc. and Canada Limited Utilities Limited Disposition of Surplus Salt Cavern Assets in the Fort Saskatchewan Area, Application No. 1607245, Proceeding ID No. 1196, Released: March 16, 2012.

² The Salt Cavern Excess Assets collectively includes the Surplus Assets, the Additional Assets and the Related Assets as identified in Decision 2012-068.

³ On September 20, 2012, the application for leave to appeal was granted.

⁴ ATCO Pipelines 2012 Interim Revenue Requirement Application, Application No. 1608058, Proceeding ID No. 1666, filed January 17, 2012.

wished to intervene in the proceeding to file a statement of intent to participate (SIP) with the Commission by May 22, 2012. On May 11, 2012, the Commission issued information requests to AP with respect to its application, with responses from AP due May 24, 2012. In a letter dated May 22, 2012, the Office of the Utilities Consumer Advocate filed a SIP and advocated that the Commission set a process schedule that included information requests, argument and reply argument. On May 24, 2012, the Commission issued a process schedule directing a written process to consider the application. Subsequently, the Commission received a SIP from the Consumers' Coalition of Alberta (CCA) on May 25, 2012. The Commission received written argument on July 5, 2012, and written reply argument on July 19, 2012, from the Office of the Utilities Consumer Advocate, the CCA and AP.

5. On October 15, 2012, the Commission issued Decision [2012-277](#)⁵ for this proceeding.

6. The cost submission deadline for this proceeding was August 20, 2012. However, the CCA filed its costs claim with the AUC on August 21, 2012.

7. On August 22, 2012, the Commission circulated a summary of the costs being claimed to interested parties. Parties were advised that any comments regarding figures listed in the summary, or the merits of the total costs claimed were to be filed by September 5, 2012. The Commission did not receive any comments. Accordingly, the Commission considers that the close of record for this proceeding was September 5, 2012.

2 Views of the Commission – authority to award costs

8. When assessing costs claims pursuant to Section 21 of the *Alberta Utilities Commission Act*, the Commission applies AUC Rule 022: *Rules on Intervener Costs in Utility Rate Proceedings* (Rule 022). Rule 022 prescribes a *Scale of Costs* applicable to all costs claimed.

9. 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, and whether the costs claimed are reasonable and directly and necessarily related to the proceeding. The Commission considers these factors in light of the scope and nature of the issues in question.

10. 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. The Commission only approves those costs that are reasonable and directly, and necessarily related to the party's participation in the proceeding.

3 Commission findings – the CCA's costs claim

11. The CCA submitted a costs claim totalling \$4,684.47. The claim is comprised of consultant fees claimed by Regulatory Services Inc. in the amount of \$4,439.00, disbursements of \$22.40 and GST of \$223.07.

⁵ Decision 2012-277: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. Compliance Filing to Decision 2012-068 Disposition of Surplus Salt Cavern Assets in the Fort Saskatchewan Area, Application No. 1608423, Proceeding ID No. 1865, Released: October 15, 2012.

12. The Commission has considered the costs claim submitted by the CCA bearing in mind the principles 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. The Commission notes that the claim for professional fees is in accordance with the *Scale of Costs*. Accordingly, the Commission approves the CCA's claim for fees in the total amount of \$4,684.47.

4 GST

13. In accordance with the Commission's treatment of GST on costs awards, AP is required to pay only that portion of the GST paid by interveners that may not be recoverable through the GST credit mechanism. Eligible GST approved by the Commission amounts to \$223.07.

14. The Commission emphasizes that its treatment of the GST claim in no way relieves participants or their consultants from their GST obligations pursuant to the *Excise Tax Act*, R.S.C. 1985, c. E-15.

5 Order

15. It is hereby ordered that:

- (1) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. shall pay the Consumers' Coalition of Alberta's intervener costs in the amount of \$4,684.47, as set out in column (h) of Appendix A.
- (2) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. shall record in its hearing costs reserve account the allowed intervener costs in the amount of \$4,684.47, as set out in column (h) of Appendix A.

Dated on November 7, 2012.

The Alberta Utilities Commission

(original signed by)

Mark Kolesar
Vice-Chair

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)
APPLICANT								
ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.								
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
INTERVENER								
Consumers' Coalition of Alberta								
Regulatory Services Inc.	\$4,439.00	\$22.40	\$223.07	\$4,684.47	\$4,439.00	\$22.40	\$223.07	\$4,684.47
Sub-Total	\$4,439.00	\$22.40	\$223.07	\$4,684.47	\$4,439.00	\$22.40	\$223.07	\$4,684.47
TOTAL INTERVENER COSTS	\$4,439.00	\$22.40	\$223.07	\$4,684.47	\$4,439.00	\$22.40	\$223.07	\$4,684.47
TOTAL INTERVENER AND APPLICANT COSTS	\$4,439.00	\$22.40	\$223.07	\$4,684.47	\$4,439.00	\$22.40	\$223.07	\$4,684.47