

February 10, 2005

Sent Via E-Mail

INTERESTED PARTIES

Dear Sirs and Madams:

**MONTHLY GCRR / GCFR FILINGS
COST CLAIM APPLICATIONS**

In June of 2002 the Alberta Energy and Utilities Board (Board/EUB) issued a schedule to interested parties detailing the deadlines for intervener cost claims as they related to the monthly GCRR filings. The Board continued to apply deadlines on the same relative basis for the monthly filings in 2003 and 2004. Enclosed is Utility Cost Order 2005-008, which deals with costs incurred for October, November, and December, 2003, and January, February, and March, 2004.

While the Board does not wish to discourage parties from reviewing monthly GCRR/GCFR filings, the Board is of the view that its expertise is sufficient to conduct an adequate review of these filings for the purposes of acknowledgement in the public interest. The Board has not found the review of these filings by other parties to contribute meaningfully to the Board's consideration of the filings, which is necessarily limited given their nature and limited purpose.

Accordingly, as noted in the enclosed Order, the Board has determined that monthly GCRR/GCFR filings do not warrant cost awards, except in special circumstances. Therefore, while the Board has processed claims in relation to the filings dealt with in the enclosed Cost Order, unless otherwise directed by it, the Board will not be accepting cost claims in relation to any further monthly GCRR/GCFR filings.

Yours truly,

Original Signed by Thomas McGee

Tom McGee
Board Member

Encl.



**ATCO Gas North
ATCO Gas South
AltaGas Utilities Inc.**

**GRR Methodology and Gas Rate
Unbundling – Compliance Filing
For the Period October – December 2003 and
For the Period January – March 2004**

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Utility Cost Order 2005-008 ATCO Gas North, ATCO Gas South, AltaGas Utilities Inc.
GCCR Methodology and Gas Rate Unbundling Compliance Filing
For the Period October – December 2003 and January – March 2004
File No.: 8010-000032

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

ATCO Gas North, ATCO Gas South
AltaGas Utilities Inc.
GCRR Methodology and Gas Rate Unbundling
Compliance Filing (October - December 2003)
(January – March 2004)

Utility Cost Order 2005-008
Application No. 8010-000032
File No. 8000-8010-000032

1 INTRODUCTION

On October 30, 2001, the Alberta Energy and Utilities Board (the “Board”) issued [Decision 2001- 75](#) setting out its findings with respect to the methodology for managing utility gas supply portfolios and determining gas cost recovery rates (“GCRR”). In the Decision, the Board dealt specifically with its expectations for determination of the GCRR and gas rate unbundling on a going forward basis. In particular, the Board directed the utilities to administer and adjust the GCRR on a monthly basis, commencing April 1, 2002.

In the Decision, the Board directed natural gas utilities to file by February 1, 2002:

- a mock GCRR for the February 2002 period, for review by the Board and interested parties. This mock GCRR was to provide an example of the methodology and format for the filing of actual GCRRs, using values from the month of February 2002 for exposition purposes only.
- a proposed exit notice provision for their regulated gas rates that is as short as can be facilitated administratively; and
- interim delivery rates, based on the transfer of direct gas supply costs from utility cost of service to the GCRR.

On March 21, 2002, the Board issued the following Decisions with respect to GCRR Methodology and Gas Rate Unbundling - Compliance Filing:

- 1) [Decision 2002-034](#), ATCO Gas South;
- 2) [Decision 2002-035](#), ATCO Gas North;
- 3) [Decision 2002-036](#), AltaGas Utilities Inc.

On June 13, 2002 the Board issued a schedule to interested parties detailing the deadlines for intervenor cost claims as they relate to the monthly GCRR filings, as shown below.

Months	Cost Filing Deadline
January, February, March (2002)	July 30, 2002
April, May, June (2002)	July 30, 2002
July, August, September (2002)	October 30, 2002
October, November, December (2002)	January 30, 2003

The Board continued to apply deadlines on the same relative basis for the monthly filings in 2003 and continues to apply them in 2004. This Cost Order will deal with costs incurred for October, November, and December, 2003, and January, February, and March, 2004.

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 Guide 31B, *Guidelines for Utility Cost Claims (Guide 31B)*. 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 proceeding are generally passed on to customers, it is the Board's duty to ensure that customers receive fair value for their 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 – Cost Claims for GCRR/GCFR Filings

The Board has considered the process concerning cost claims for the review of monthly GCRR/GCFR filings, particularly the value contributed by legal counsel and whether that contribution has been of assistance to the Board's acknowledgement of the GCRR/GCFR filings. The Board has reviewed the participation of counsel and consultants throughout the monthly GCRR/GCFR review process dating back to January, 2002 and has determined that, in many cases, parties have not filed with the Board any material relating to the filings, and therefore, the Board is only aware of parties' activity when their cost claims are filed. The Board considers this situation to be unsatisfactory having regard to the Board's public interest responsibility to ensure that utility customers do not pay unnecessary or unreasonable costs.

While the Board does not wish to discourage parties from reviewing monthly GCRR/GCFR filings, the Board is of the view that its expertise is sufficient to conduct an adequate review of these filings for the purposes of acknowledgement in the public interest. The Board has not found the review of these filings by other parties to contribute meaningfully to the Board's consideration of the filings, which is necessarily limited given their nature and limited purpose.

In the Board's view, monthly GCRR/GCFR filings do not warrant cost awards, except in special circumstances. Therefore, while the Board will process claims in relation to the filings dealt with in this Cost Order, unless otherwise directed by it, the Board will not be accepting cost claims in relation to any further monthly GCRR/GCFR filings.

4 VIEWS OF THE BOARD - Assessment

Various parties submitted cost claims totaling \$14,079.66, including actual GST of \$921.11, with respect to these GCRR filings.

The Board has considered the statements of justification submitted by the parties and also notes that the claims for professional fees and disbursements were in accordance with the *Scale of Costs*. In this particular instance the Board approves the claims as filed as outlined in Appendices [A](#) (AGN), [B](#) (AGS), and [C](#) (AltaGas) attached.

5 GST

In accordance with the Board's treatment of the GST on cost awards, each Applicant 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 Board amounts to \$0.00 as shown in column (g) in [Appendix A](#), \$0.00 in [Appendix B](#), and \$266.55 in [Appendix C](#). The GST allowed by the Board may also be charged against the respective Applicant'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.

6 ORDER

THEREFORE, for the reasons provided above, the Alberta Energy and Utilities Board, pursuant to the provisions of the *Public Utilities Board Act* and regulations hereunder, hereby orders as follows:

1. ATCO Gas North shall pay intervener costs in the amount of \$2,948.68, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$2,948.68 as set out in column (h) of [Appendix A](#).
3. ATCO Gas South shall pay intervener costs in the amount of \$9,151.10, as set out in column (h) of [Appendix B](#).

4. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$9,151.10 as set out in column (h) of [Appendix B](#).
5. AltaGas Utilities Inc. shall pay intervener costs in the amount of \$1,325.32, as set out in column (h) of [Appendix C](#).
6. AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$1,325.32 as set out in column (h) of [Appendix C](#).

Dated in Calgary, Alberta this 10th day of February, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

Original Signed by Thomas McGee

Thomas McGee
Board Member

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED (AGN)



UCO 2005-008
Appendix A (AGN Mor

APPENDIX B – SUMMARY OF COSTS CLAIMED AND AWARDED (AGS)



UCO 2005-008
Appendix B (AGS Mor

APPENDIX C – SUMMARY OF COSTS CLAIMED AND AWARDED (ALTAGAS)



UCO 2005-008
Appendix C (Altagas I

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2002/2003 GCRR, COPRR and COSRR Filings
(Oct. - Dec. 2003)
(Jan - Mar 2004)

Costs Claimed and Awarded

	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 Gas North								
ATCO Gas North	\$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								
Federation of Alberta Gas Co-ops Ltd. & Gas Alberta Inc.								
Campbell Ryder Consulting Group (Sept - Dec 2003)	\$2,537.50	\$28.50	\$179.62	\$2,745.62	\$2,537.50	\$28.50	\$0.00	\$2,566.00
Brownlee Fryett (Sept-Dec 2003)	\$375.00	\$7.68	\$26.79	\$409.47	\$375.00	\$7.68	\$0.00	\$382.68
Sub-total	\$2,912.50	\$36.18	\$206.41	\$3,155.09	\$2,912.50	\$36.18	\$0.00	\$2,948.68
TOTAL INTERVENER COSTS								
TOTAL COSTS	\$2,912.50	\$36.18	\$206.41	\$3,155.09	\$2,912.50	\$36.18	\$0.00	\$2,948.68

2002/2003 GCRR, COPRR and COSRR Filings
(Oct. - Dec. 2003)
(Jan - Mar 2004)

Total Costs Claimed and Awarded

	Fees Claimed (a)	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 (e)
APPLICANT								
ATCO Gas South								
ATCO Gas South	\$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								
The City of Calgary								
Burnet, Duckworth & Palmer(Sept - Dec 2003)	\$2,687.50	\$4.40	\$188.44	\$2,880.34	\$2,687.50	\$4.40	\$80.76	\$2,772.66
Peter J. Milne & Associates Inc. (Sept - Dec 2003)	\$1,400.00	\$0.00	\$98.00	\$1,498.00	\$1,400.00	\$0.00	\$42.00	\$1,442.00
Energy Group, Inc.(Sept - Dec 2003)	\$91.76	\$0.00	\$6.42	\$98.18	\$91.76	\$0.00	\$2.75	\$94.51
Burnet, Duckworth & Palmer(Jan - Mar 2004)	\$1,387.50	\$43.46	\$100.17	\$1,531.13	\$1,387.50	\$43.46	\$42.93	\$1,473.89
Peter J. Milne & Associates Inc. (Jan - Mar 2004)	\$2,600.00	\$0.00	\$182.00	\$2,782.00	\$2,600.00	\$0.00	\$78.01	\$2,678.01
Energy Group, Inc.(Jan - Mar 2004)	\$669.93	\$0.00	\$46.90	\$716.83	\$669.93	\$0.00	\$20.10	\$690.03
Sub-total	\$8,836.69	\$47.86	\$621.93	\$9,506.48	\$8,836.69	\$47.86	\$266.55	\$9,151.10
TOTAL INTERVENER COSTS								
TOTAL INTERVENER COSTS	\$8,836.69	\$47.86	\$621.93	\$9,506.48	\$8,836.69	\$47.86	\$266.55	\$9,151.10
TOTAL COSTS								
TOTAL COSTS	\$8,836.69	\$47.86	\$621.93	\$9,506.48	\$8,836.69	\$47.86	\$266.55	\$9,151.10

2002/2003 GCRR , COPRR and COSRR Filings
(Oct - Dec. 2003)
(Jan - Mar 2004)

Costs Claimed and Awarded

	Fees Claimed (a)	Expenses Claimed (b)	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								
Municipal & Gas Co-op Intervenors, Bonnyville Municipal								
Campbell Ryder Consulting Group (Oct - Dec 2003)	\$743.75	\$10.02	\$52.76	\$806.53	\$743.75	\$10.02	\$0.00	\$753.77
Campbell Ryder Consulting Group (Jan - Mar 2004)	\$568.75	\$2.80	\$40.01	\$611.56	\$568.75	\$2.80	\$0.00	\$571.55
Sub-total	\$1,312.50	\$12.82	\$92.77	\$1,418.09	\$1,312.50	\$12.82	\$0.00	\$1,325.32
TOTAL INTERVENER COSTS								
TOTAL COSTS	\$1,312.50	\$12.82	\$92.77	\$1,418.09	\$1,312.50	\$12.82	\$0.00	\$1,325.32