



ATCO Gas

2008, 2009 and 2010 Final Rates

Cost Awards



The Alberta Utilities Commission

Decision 2011-020: ATCO Gas

2008, 2009 and 2010 Final Rates

Application No. 1606375

Proceeding ID No. 885

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1 Introduction

1. On July 16, 2010, ATCO Gas (ATCO), a division of ATCO Gas and Pipelines Ltd., filed an application (the Application) with the Alberta Utilities Commission (AUC or Commission) for approval to finalize rates for the years 2008, 2009 and 2010. The Application referred to and relied on the following decisions previously issued by the Commission:

- Decision [2010-025](#)¹
- Decision [2010-128](#)²
- Decision [2010-102](#)³
- Decision [2010-189](#)⁴
- Decision [2010-291](#)⁵

2. The Commission dealt with this Application by way of a written proceeding. On September 29, 2010 the Commission issued Decision [2010-466](#)⁶ with respect to the Application.

3. On October 14, 2010, 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 October 28, 2010. The Commission did not receive any comments. Accordingly, the Commission considers the cost process to have closed on October 28, 2010.

2 Views of the Commission – Authority to Award Costs

4. When assessing a cost claim pursuant to Section 21 of the *Alberta Utilities Commission Act* (AUC Act), the Commission applies Rule 022, *Rules on Intervener Costs in Utility Rate Proceedings* (Rule 022).

¹ Decision 2010-025: ATCO Gas, 2008-2009 General Rate Application Phase I Second Compliance Filing Application No. 1605412, Proceeding ID. 294, Released: January 13, 2010.

² Decision 2010-128: ATCO Gas Request for Approval to Implement Transmission Service Rider “T”, Application No. 1605883, Proceeding ID. 483, Released: March 24, 2010.

³ Decision 2010-102: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.) 2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up, Application No. 1562012, Proceeding ID. 32, Released: March 8, 2010.

⁴ Decision 2010-189: ATCO Utilities Pension Common Matters, Application No. 1605254, Proceeding ID. 226, Released: April 30, 2010.

⁵ Decision 2010-291: ATCO Gas Interim Rider P, Application No. 1606254, Proceeding ID. 664, Released: July 21, 2010.

⁶ Decision 2010-466: ATCO Gas 2008, 2009 and 2010 Final Rates Application 1606375, Proceeding ID. 731, Released: September 29, 2010.

5. In exercising its discretion to award costs, the Commission will, in accordance with section 11 of Rule 022, consider whether an eligible 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.

6. In the Commission's view, the responsibility to contribute positively to the process is inherent in the choice to intervene in a proceeding. The Commission 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. To the extent reasonably possible, the Commission will be mindful of participants' willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.

7. As the costs of a utility proceeding are generally passed on to customers, it is the Commission's duty to ensure that 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.

3 Views of the Commission – Assessment

8. The Consumers' Coalition of Alberta submitted a cost claim totaling \$5,665.70. The claim is comprised of legal fees incurred by Wachowich & Company in the amount of \$577.50, together with GST of \$28.88; and consulting fees incurred by Regulatory Services Inc. in the amount of \$4,800.00, together with disbursements and GST of \$18.40 and \$240.92, respectively.

9. The Commission has considered the costs submitted by the CCA. The Commission finds that the participation of the CCA was effective and of assistance in reviewing the Application. The Commission also notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. Accordingly, the Commission considers the CCA's claims for fees, disbursements and applicable GST in the total amount of \$5,665.70 to be reasonable. The Costs submitted by the CCA were allocated equally amongst ATCO Gas North (AGN) and ATCO Gas South (AGS).

4 GST

10. In accordance with the Commission's treatment of the GST on cost awards, ATCO 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 Commission has reduced this particular portion of their claim. Eligible GST approved by the Commission amounts to \$269.80. The GST allowed by the Commission may also be charged against ATCO's Hearing Cost Reserve Account.

11. The Commission 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 that:

1. ATCO Gas North shall pay intervener costs in the amount of \$2,832.85.
2. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$2,832.85.
3. ATCO Gas South shall pay intervener costs in the amount of \$2,832.85.
4. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$2,832.85.

Dated on January 18, 2011.

The Alberta Utilities Commission

(Original signed by)

Mark Kolesar
Panel Chair

(Original signed by)

Bill Lyttle
Commission member

(Original signed by)

Dr. Moin A. Yahya
Commission member