



Regulated Retail Energy Harmonization Inquiry

Cost Awards



The Alberta Utilities Commission

Decision 2011-178: Regulated Retail Energy Harmonization Inquiry

Application No. 1606030

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Regulated Retail Energy Harmonization Inquiry Cost Awards

1 Introduction

1. The Alberta Utilities Commission (AUC or Commission) was directed by Order in Council 93/2010 to inquire into and report to Alberta's Minister of Energy on the harmonization of the *Regulated Rate Option Regulation*, AR 262/2005 (*Regulated Rate Option Regulation*) and the *Default Gas Supply Regulation*, AR 184/2003 (*Default Gas Supply Regulation*).
2. In the Notice of Inquiry issued on April 14, 2010, the Commission directed AltaGas Utilities Inc. (AltaGas), Direct Energy Regulated Services (Direct), EPCOR Energy Alberta Inc. (EPCOR) and ENMAX Energy Corporation (ENMAX) to participate in the inquiry.
3. The Commission provided its report to the Minister of Energy on March 25, 2011.
4. On January 19, 2011, 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 February 2, 2011. The Commission did not receive any comments. Accordingly, the Commission considers the cost process to have closed on February 2, 2011.

2 Views of the Commission – Authority to Award Costs

5. 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).
6. 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.
7. 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.

8. 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

9. Various participants submitted cost claims totaling \$333,797.38 including Goods and Services Tax (GST) of \$4,982.40 with respect to the inquiry.

3.1 AltaGas Utilities Inc.

10. AltaGas submitted a cost claim totaling \$55,997.24. The claim is comprised of consulting fees incurred by Energy Management & Regulatory Consulting Ltd. in the amount of \$46,968.75, together with disbursements of \$2,071.00; and internal fees in the amount of \$6,957.49.

11. The Commission has considered the costs submitted by AltaGas. The Commission finds that the participation of AltaGas was effective and of assistance in conducting the inquiry. 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 AltaGas's claims for fees and disbursements in the total amount of \$55,997.24 to be reasonable.

3.2 Direct Energy Regulated Services

12. Direct submitted a cost claim totaling \$80,614.75. The claim is comprised of legal fees incurred by Lawson Lundell LLP in the amount of \$73,621.00; consulting fees incurred by Forte Business Solutions Ltd. in the amount of \$3,000.00; and amounts charged by Amicus Reporting Group in the amount of \$3,993.75 for transcripts.

13. The Commission has considered the costs submitted by Direct. The Commission finds that the participation of Direct was effective and of assistance in conducting the inquiry. 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 Direct's claims for fees and disbursements in the total amount of \$80,614.75 to be reasonable.

3.3 ENMAX Energy Corporation

14. ENMAX submitted a cost claim totaling \$32,680.16. The claim is comprised of amounts charged by Amicus Reporting Group in the amount of \$4,515.16 for transcripts; legal fees incurred by Stikeman Elliot in the amount of \$25,165.00; and consulting fees incurred by Forte Business Solutions Ltd. in the amount of \$3,000.00.

15. The Commission has considered the costs submitted by ENMAX. The Commission finds that the participation of ENMAX was effective and of assistance in conducting the inquiry. 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 ENMAX's claims for fees and disbursements in the total amount of \$32,680.16 to be reasonable.

3.4 EPCOR Energy Alberta Inc.

16. EPCOR submitted a cost claim totaling \$59,874.84. The claim is comprised of legal fees incurred by Burnet, Duckworth & Palmer LLP in the amount of \$46,725.00, together with disbursements of \$113.60; consulting fees incurred by Forte Business Solutions Ltd. in the amount of \$3,000.00; and internal fees of \$10,036.24.

17. The Commission has reviewed the costs submitted by EPCOR. The Commission finds that the participation of EPCOR was effective and of assistance in conducting the inquiry. 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 EPCOR's claims for fees and disbursements in the total amount of \$59,874.84 to be reasonable.

3.5 Consumers' Coalition of Alberta

18. The Consumers' Coalition of Alberta (CCA) submitted a cost claim totaling \$104,630.39. The claim is comprised of legal fees incurred by Wachowich & Company in the amount of \$41,992.50, together with disbursements and GST in the amount of \$5,638.40 and \$2,381.55 respectively; and consulting fees incurred by Regulatory Services Inc. in the amount of \$51,060.00, together with disbursements and GST in the amount of \$957.09 and \$2,600.85 respectively.

19. The Commission has reviewed the costs submitted by the CCA. The Commission finds that the participation of the CCA was effective and of assistance in conducting the inquiry. The Commission also notes that the claims for 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 amount of \$104,630.39 to be reasonable.

4 Allocation of Approved Intervener Costs

20. The Commission has assessed the costs submitted by the CCA and directs that the intervener costs be divided six ways among the utilities. The breakdown is as follows: one third is allocated to Direct, to be allocated equally between the Regulated Rate Tariff and the Default Rare Tariff. One third is allocated to EEAI, to be allocated equally between the EPCOR service area and the Fortis service area. One sixth is allocated to ENMAX and one sixth is allocated to AltaGas. All costs are approved for inclusion in the hearing cost reserve account of each regulated retail energy service provider.

5 GST

21. In accordance with the Commission's treatment of the GST on cost awards, each regulated retail energy service provider 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 \$4,982.40. The GST allowed by the Commission may also be charged against each regulated retail energy service provider's hearing cost reserve account.

22. 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.

6 Order

It is hereby ordered that:

1. AltaGas Utilities Inc. shall pay intervener costs in the amount of \$17,438.40, as set out in column (h) of [Appendix A](#).
2. AltaGas Utilities Inc.'s costs in the amount of \$55,997.24, as set out in column (h) of [Appendix A](#), are approved.
3. AltaGas Utilities Inc. shall record in its hearing cost reserve account the allowed applicant and intervener costs in the amount of \$73,435.64, as set out in column (h) of [Appendix A](#).
4. Direct Energy Regulated Services shall pay intervener costs in the amount of \$34,876.80, as set out in column (h) of [Appendix A](#).
5. Direct Energy Regulated Services external costs in the amount of \$80,614.75, as set out in column (h) of [Appendix A](#), are approved.
6. Direct Energy Regulated Services shall record in its regulated rate tariff hearing cost reserve account the allowed external applicant and intervener costs in the amount of \$57,745.77, as set out in column (h) of [Appendix A](#). Direct Energy Regulated Services shall record in its default rate tariff hearing cost reserve account the allowed external applicant and intervener costs in the amount of \$57,745.78, as set out in column (h) of [Appendix A](#).
7. ENMAX Energy Corporation shall pay intervener costs in the amount of \$17,438.39, as set out in column (h) of [Appendix A](#).
8. ENMAX Energy Corporation's external costs in the amount of \$32,680.16, as set out in column (h) of [Appendix A](#), are approved.
9. ENMAX Energy Corporation shall record in its hearing cost reserve account the allowed external applicant and intervener costs in the amount of \$50,118.55, as set out in column (h) of [Appendix A](#).
10. EPCOR Energy Alberta Inc. shall pay intervener costs in the amount of \$34,876.80, as set out in column (h) of [Appendix A](#).
11. EPCOR Energy Alberta Inc.'s costs in the amount of \$59,874.84, as set out in column (h) of [Appendix A](#), are approved.
12. EPCOR Energy Alberta Inc. shall record in its hearing cost reserve account the allowed applicant and intervener costs in the amount of \$94,751.64, as set out in column (h) of [Appendix A](#). This amount should be notionally allocated equally between the EPCOR Distribution & Transmission Inc. service area and the FortisAlberta Inc. service area.

Dated on April 27, 2011.

The Alberta Utilities Commission

(Original signed by)

Carolyn Dahl Rees
Vice-Chair

(Original signed by)

Anne Michaud
Commission Member

(Original signed by)

Mark Kolesar
Commission Member

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



Appendix A .xls

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Cost Proceeding ID. 1046

Regulated Rate Option Regulation and Default Gas Supply
Regulation Harmonization Inquiry
(1606030)

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)
APPLICANT								
Alberta Utilities Commission								
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								
AltaGas Utilities Inc.								
Energy Management & Regulatory Consulting Ltd.	\$46,968.75	\$2,071.00	\$0.00	\$49,039.75	\$46,968.75	\$2,071.00	\$0.00	\$49,039.75
AltaGas Utilities Inc.	\$0.00	\$6,957.49	\$0.00	\$6,957.49	\$0.00	\$6,957.49	\$0.00	\$6,957.49
Sub-Total	\$46,968.75	\$9,028.49	\$0.00	\$55,997.24	\$46,968.75	\$9,028.49	\$0.00	\$55,997.24
Amount of Intervener Costs								\$17,438.40
Amount to be recorded in hearing cost reserve account								\$73,435.64
Direct Energy Regulated Services								
Lawsun Lundell LLP	\$73,621.00	\$0.00	\$0.00	\$73,621.00	\$73,621.00	\$0.00	\$0.00	\$73,621.00
Forte Business Solutions Ltd.	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
Amicus Reporting Group	\$3,993.75	\$0.00	\$0.00	\$3,993.75	\$3,993.75	\$0.00	\$0.00	\$3,993.75
Sub-Total	\$80,614.75	\$0.00	\$0.00	\$80,614.75	\$80,614.75	\$0.00	\$0.00	\$80,614.75
Amount of Intervener Costs								\$34,876.80
Amount to be recorded in rrt hearing cost reserve account								\$57,745.77
Amount to be recorded in drt hearing cost reserve account								\$57,745.77
ENMAX Energy Corporation								
Amicus Reporting Group	\$0.00	\$4,515.16	\$0.00	\$4,515.16	\$0.00	\$4,515.16	\$0.00	\$4,515.16
Stikeman Elliot	\$25,165.00	\$0.00	\$0.00	\$25,165.00	\$25,165.00	\$0.00	\$0.00	\$25,165.00
Forte Business Solutions Ltd.	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
Sub-Total	\$28,165.00	\$4,515.16	\$0.00	\$32,680.16	\$28,165.00	\$4,515.16	\$0.00	\$32,680.16

Cost Proceeding ID. 1046

Regulated Rate Option Regulation and Default Gas Supply
Regulation Harmonization Inquiry
(1606030)

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)
Amount Intervener Costs								\$17,438.39
Amount to be recorded in hearing cost reserve account								\$50,118.55
EPCOR Energy Alberta Inc.								
Burnet, Duckworth & Palmer LLP	\$46,725.00	\$113.60	\$0.00	\$46,838.60	\$46,725.00	\$113.60	\$0.00	\$46,838.60
Forte Business Solutions Ltd.	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
EPCOR Energy Alberta Inc.	\$0.00	\$10,036.24	\$0.00	\$10,036.24	\$0.00	\$10,036.24	\$0.00	\$10,036.24
Sub-Total	\$49,725.00	\$10,149.84	\$0.00	\$59,874.84	\$49,725.00	\$10,149.84	\$0.00	\$59,874.84
Amount of Intervener Costs								\$34,876.80
Amount to be recorded in hearing cost reserve account								\$94,751.64
Consumers' Coalition of Alberta								
Wachowich & Company	\$41,992.50	\$5,638.40	\$2,381.55	\$50,012.45	\$41,992.50	\$5,638.40	\$2,381.55	\$50,012.45
Regulatory Services Inc.	\$51,060.00	\$957.09	\$2,600.85	\$54,617.94	\$51,060.00	\$957.09	\$2,600.85	\$54,617.94
Sub-Total	\$93,052.50	\$6,595.49	\$4,982.40	\$104,630.39	\$93,052.50	\$6,595.49	\$4,982.40	\$104,630.39
TOTAL INTERVENER COSTS	\$298,526.00	\$30,288.98	\$4,982.40	\$333,797.38	\$298,526.00	\$30,288.98	\$4,982.40	\$333,797.38
TOTAL INTERVENER AND APPLICANT COSTS	\$298,526.00	\$30,288.98	\$4,982.40	\$333,797.38	\$298,526.00	\$30,288.98	\$4,982.40	\$333,797.38