



ATCO Gas

2011 Interim Rate Application

Cost Awards



The Alberta Utilities Commission

Decision 2011-366: ATCO Gas

2011 Interim Rate Application

Application No. 1607366

Proceeding ID No. 1267

Dated on September 7, 2011

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Alberta Utilities Commission

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1 Introduction

1. On December 23, 2010 ATCO Gas (AG) filed an application with the Alberta Utilities Commission (the AUC or the Commission) requesting approval for new interim refundable rates for AG North (North) and AG South (South), effective April 1, 2011 (application).
2. The Commission issued a notice of application on December 24, 2010. The Commission established a written process for the application. AG, the Utilities Consumer Advocate (UCA) and the Consumers Coalition of Alberta (CCA) submitted argument and reply argument on March 2, 2011, and March 16, 2011, respectively.
3. On April 1, 2011, the Commission issued [Decision 2011-127](#)¹ with respect to the application.
4. On April 12, 2011, AG filed a compliance filing (filing) with the Commission requesting approval for interim refundable rates and Rider “S” for AG North and AG South, effective May 1, 2011, using a reduced revenue shortfall of \$38,366,000. AG also requested approval for a revision to Rider “T”. AG proposed that each of Rider “S” and Rider “T” terminate on December 31, 2011. The interim rates, Rider “S” and Rider “T” were revised by AG pursuant to the Order issued by the Commission in [Decision 2011-127](#).
5. The Commission issued a letter on April 15, 2011, notifying the parties that had registered for this proceeding of the filing and requested that their comments be filed by April 18, 2011. The AUC only received comments from the Consumers’ Coalition of Alberta, which stated it had no objections.
6. On April 25, 2011, the Commission issued [Decision 2011-170](#)² with respect to the filing.
7. The deadline for filing cost claims in relation to the application was April 16, 2011. The CCA filed its cost claim on May 31, 2011. The CCA stated that the cost claim was submitted beyond the deadline because it contained costs for both the interim application and the compliance filing. Although the cost claim was filed late, the Commission, pursuant to section 6 of Commission Rule 001, *Rules of Practice* proceeded to review the cost claim.
8. On June 2, 2011, the Commission circulated a summary of the costs being claimed to interested parties. Parties were requested to file any comments regarding the figures listed in the

¹ Decision 2011-127: ATCO Gas, 2011 Interim Rates, Application no. 1606898, Proceeding ID no, 1024, Released: April 1, 2011.

² Decision 2011-170: ATCO Gas, 2011 Interim Rates compliance Filing to Decision 2011-127, Application no. 1606898, Proceeding ID no, 1024, Released: April 25, 2011.

summary or the merits of the cost claim by June 15, 2011. The Commission did not receive any comments. Accordingly, the Commission considers the cost process to have closed on June 15, 2011.

2 Views of the Commission – Authority to Award Costs

9. 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).

10. 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.

11. 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.

12. 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

13. The CCA submitted a cost claim totaling \$7,932.18. The claim is comprised of legal fees incurred by Wachowich & Company in the amount of \$1,058.75, together with GST of \$52.94, as well as consulting fees incurred by Regulatory Services, Inc. in the amount of \$6,471.50, together with disbursements of \$24.20 and GST of \$324.79. The CCA proposed allocating its costs on the following basis: 50% to ATCO GAS North and 50% to ATCO Gas South.

14. The Commission has considered the costs submitted by the CCA, bearing in mind the principles specified in the Commission's *Scale of Costs* set out in Appendix A to Rule 022. 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, disbursements and applicable GST 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 \$7,932.18 to be reasonable and approves the costs submitted by the CCA and the proposed allocation.

4 GST

15. In accordance with the Commission's treatment of the GST on cost awards, ATCO Gas 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 \$377.73. The GST allowed by the Commission may also be charged against ATCO Gas' Hearing Cost Reserve Account.

16. 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 \$3,966.09, 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 \$3,966.09, as set out in column (h) of [Appendix A](#).
3. ATCO Gas South shall pay intervener costs in the amount of \$3,966.09, as set out in column (h) of [Appendix A](#).
4. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$3,966.09, as set out in column (h) of [Appendix A](#).

Dated on September 7, 2011.

The Alberta Utilities Commission

<original signed by>

Moin Yahya
Chair

<original signed by>

Kay Holgate
Commission Member

<original signed by>

Bill Lyttle
Commission Member

2011 Interim Rate Application
(1606898)

Total 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								
ATCO Gas North								
No Applicant Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount of Intervener Costs				\$3,966.09				\$3,966.09
Amount to be recorded in Hearing Cost Reserve Account				\$3,966.09				\$3,966.09
Sub-Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ATCO GasSouth								
No Applicant Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount of Intervener Costs				\$3,966.09				\$3,966.09
Amount to be recorded in Hearing Cost Reserve Account				\$3,966.09				\$3,966.09
Sub-Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INTERVENERS								
Consumers' Coalition of Alberta								
Wachowich & Company	\$1,058.75	\$0.00	\$52.94	\$1,111.69	\$1,058.75	\$0.00	\$52.94	\$1,111.69
Regulatory Services, Inc.	\$6,471.50	\$24.20	\$324.79	\$6,820.49	\$6,471.50	\$24.20	\$324.79	\$6,820.49
Sub-Total	\$7,530.25	\$24.20	\$377.73	\$7,932.18	\$7,530.25	\$24.20	\$377.73	\$7,932.18
TOTAL INTERVENER COSTS								
	\$7,530.25	\$24.20	\$377.73	\$7,932.18	\$7,530.25	\$24.20	\$377.73	\$7,932.18
TOTAL INTERVENER AND APPLICANT COSTS								
	\$7,530.25	\$24.20	\$377.73	\$7,932.18	\$7,530.25	\$24.20	\$377.73	\$7,932.18