



# AUC

Alberta Utilities Commission

## **ATCO Utilities**

(ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.)

**2003-2007 Benchmarking and  
ATCO I-Tek Placeholders True-up**

**Cost Awards**



Appendix D

ATCO Utilities  
 Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
 (1562012 and 1509540)

Intervener Cost Awards for each ATCO Utility

	City of Calgary (a)	AUMA (b)	Total (c)
<b>APPLICANT</b>			
ATCO Electric	\$282,931.77	\$270.34	\$283,202.11
ATCO Gas North	\$141,465.89	\$315.10	\$141,780.99
ATCO Gas South	\$141,465.89	\$315.10	\$141,780.99
ATCO Pipelines North	\$70,732.94	\$90.06	\$70,823.00
ATCO Pipelines South	\$70,732.94	\$90.06	\$70,823.00
<b>Sub-Total</b>	<b>\$707,329.43</b>	<b>\$1,080.66</b>	<b>\$708,410.09</b>

ATCO Utilities  
 Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
 (1562012 and 1509540)

Overall Total Amount Awarded

	Total Amount Awarded Benchmarking Phase (a)	Total Amount Awarded Application Phase (b)	Overall Total Amount Awarded (c)
<b>APPLICANT</b>			
ATCO Electric	\$338,426.51	\$100,414.31	\$438,840.82
ATCO Gas North	\$176,081.86	\$50,207.16	\$226,289.02
ATCO Gas South	\$176,081.86	\$50,207.16	\$226,289.02
ATCO Pipelines North	\$58,384.28	\$25,103.57	\$83,487.85
ATCO Pipelines South	\$58,384.28	\$25,103.57	\$83,487.85
Sub-Total	\$807,358.79	\$251,035.77	\$1,058,394.56
<b>INTERVENERS</b>			
City of Calgary	\$272,105.75	\$435,223.69	\$707,329.44
Alberta Urban Municipalities Association	\$1,080.65	\$0.00	\$1,080.65
Aboriginal Communities	\$0.00	\$0.00	\$0.00
<b>TOTAL INTERVENER COSTS</b>	<b>\$273,186.40</b>	<b>\$435,223.69</b>	<b>\$708,410.09</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$1,080,545.19</b>	<b>\$686,259.46</b>	<b>\$1,766,804.65</b>

**ALBERTA UTILITIES COMMISSION**

Decision 2010-511: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.)  
2003-2007 Benchmarking and ATCO I-Tek Placeholders True-up  
Application No. 1562012, 1509540  
Cost Application No. 1606047

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**ATCO Utilities  
(ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.)  
2003-2007 Benchmarking and  
ATCO I-Tek Placeholders True-up**

**Decision 2010-511  
Application No. 1562012,1509540  
Cost Application No. 1606047**

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## **1 INTRODUCTION**

1. On April 13, 2007, ATCO Electric Ltd. (AE), ATCO Gas (AG) and ATCO Pipelines (AP), both divisions of ATCO Gas and Pipelines Ltd., (collectively ATCO or ATCO Utilities) applied (Application No. 1509540) to the Alberta Energy and Utilities Board (the Board or EUB) for approval of the following matters associated with the benchmarking of the information technology (IT) and customer care and billing (CC&B) services which the ATCO Utilities received from their non-regulated affiliates ATCO I-Tek Inc. (ATCO I-Tek) and ATCO I-Tek Business Services Ltd. (ITBS):

- Approval of Compass Management Consulting Limited (Compass) as the consultant to conduct benchmarking of the IT services and Utilipoint International Inc. (Utilipoint) as the consultant to conduct benchmarking of the CC&B services;
- Approval of the IT and CC&B benchmarking contracts
- Approval of the total costs of the benchmarking contracts
- The allocation of the above noted costs to the affected utilities
- Confirmation there will be a process for recovery of all reasonable costs incurred by the Collaborative Process Committee (CPC)<sup>1</sup> associated with the IT and CC&B benchmarking projects at the completion of the project.

2. The Board issued Order [U2007-111](#)<sup>2</sup> on April 23, 2007 with respect to Application No. 1509540. The Order approved the application and stated at page 4:

The Board also agrees that prudent and reasonable costs incurred by the CPC, to support the continuation of the benchmarking projects, are recoverable.

3. On October 11, 2007, the Board issued Utility Cost Order [2007-053](#)<sup>3</sup> (UCO 2007-053) with respect to Application No. 1509540. In UCO 2007-053, the Board received cost claims from each of the ATCO Utilities, Alberta Urban Municipalities Association (AUMA), and the Aboriginal Communities with respect to IT benchmarking in the total amount of \$25,908.01. The Board also received cost claims from AG and AE, AUMA and the Aboriginal Communities with

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<sup>1</sup> The Customer Group (CG) and ATCO were collectively referred to as the Collaborative Process Committee .

<sup>2</sup> Order U2007-111 – ATCO Utilities: Application for Approval of the Contracts, Cost and Allocation of the Costs Associated with the Benchmarking of Information Technology and Customer Care and Billing Services (Application No. 1509540) (Released: April 23, 2007).

<sup>3</sup> UCO 2007-053 – ATCO Electric Ltd., ATCO Gas, and ATCO Pipelines: Application for Approval of the Contracts, Cost and Allocation of the Costs Associated with the Benchmarking of Information Technology and Customer Care and Billing Services (Application No. 1509540, Cost Application No. 1512309) (Released: October 11, 2007)

respect to CC&B benchmarking in the total amount of \$29,497.57. The Board approved the totals in full for each claim.

4. On February 21, 2008 the ATCO Utilities filed an application<sup>4</sup> (Original Application) with the Alberta Utilities Commission (Commission or AUC) to true-up 2003-2007 revenue requirement placeholders for the IT services and CC&B services provided by ATCO I-Tek and ITBS. ATCO I-Tek provided the IT services and ITBS provided the CC&B services.

5. The Original Application proposed a true up of the placeholders on the basis of a price benchmarking report (Benchmark Report) prepared by Compass with respect to IT services and Utilipoint with respect to CC&B services, (collectively, the Benchmarkers). A redacted version of the Benchmark Report was attached to the Original Application and was described as being the product of an extensive collaborative process between the Customer Group (CG) and ATCO as the CPC. The collaborative process was sanctioned by the Board and was monitored by EUB observers.

6. At the request of the Commission, ATCO submitted a Supplemental Filing on October 3, 2008, setting out how it proposed to reflect the true-up of the placeholders and the opening property, plant and equipment (PP&E) balances and revenue requirements. The Original Application dated February 21, 2008 and the Supplemental Filing dated October 3, 2008 are collectively referred to as “the Application”.

7. An oral hearing was held in Edmonton, Alberta on December 1, 2009 before Commission members Mr. W. Grieve (Chair), Mr. B. Lyttle (Commissioner), and Ms. A. Michaud (Commissioner). Oral argument and oral Reply argument was heard by the Commission on December 4, 2009.

8. On March 8, 2010, the Commission issued Decision [2010-102](#)<sup>5</sup> with respect to the Application.

9. Cost claims in respect of either or both of (i) the benchmarking activities conducted in connection with Application No. 1509540 subsequent to UCO 2007-053; and (ii) the Application, and were filed by the ATCO Utilities, the City of Calgary (Calgary), AUMA and the Aboriginal Communities.

10. On April 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 April 21, 2010. The Commission received comments from ATCO and Calgary. On April 22, 2010, parties were invited to respond to comments by May 6, 2010. The Commission received responses from ATCO, Calgary and the Utilities Consumer Advocate (UCA) on May 6, 2010 even though the UCA did not file initial comments.

11. On May 11, 2011 the Commission received a response from ATCO objecting to the UCA’s response to comments submitted by parties. ATCO submitted that the UCA’s comments

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<sup>4</sup> Application No. 1562012, Proceeding ID. 32

<sup>5</sup> Decision 2010-102: ATCO Utilities – 2003-2007 Benchmarking and ATCO –I-Tek Placeholders True-Up (Application No. 1562021; Proceeding ID 32) (Released: March 8, 2010).



should be struck from the record as the UCA had not filed initial comments and therefore ATCO were deprived of any opportunity to respond.

12. The Commission issued a letter dated July 30, 2010 requesting additional information from ATCO and a justification for the amounts claimed by the Aboriginal Communities. The Commission also provided ATCO with the opportunity to reply to the UCA submission. ATCO provided its reply comments on August 13, 2010.

13. On September 21, 2010 the Commission issued a letter requesting additional information from the ATCO Utilities with respect to the costs invoiced by ATCO I-Tek in connection with the benchmarking process and the allocation of costs among the ATCO Utilities. The ATCO Utilities responded by letter dated October 5, 2010. Accordingly, the Commission considers the cost process to have closed on October 5, 2010.

## **2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS**

14. In assessing a cost claim pursuant to section 21 of the *Alberta Utilities Commission Act* the Commission applies Rule 022, *Rules on Intervener Costs* (Rule 022). When considering cost claims for applications filed prior to October 1, 2008, the Commission assesses the costs claimed in accordance with Rule 022 and the *Scale of Costs* in place at that time. Accordingly, the Commission has assessed the cost claims filed with respect to the Application in accordance with Rule 022 as it existed on February 21, 2008.

15. 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.

16. 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.

17. 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 COST CLAIMS**

18. Various participants submitted cost claims totaling \$2,322,847.79, together with actual GST of \$75.15, with respect to the proceeding. The claims submitted by parties are detailed below in section 5.

## 4 VIEWS OF THE PARTIES REGARDING COST CLAIMS

### 4.1 ATCO Utilities Comments

19. On April 21, 2010 ATCO submitted comments regarding costs claimed by Calgary.
20. ATCO submitted that little information was provided in Calgary's submission regarding why three consultants (Mr. Hugh Johnson, Mr. Gregg Matwichuck, and Mr. James Stephens) were required to assist Calgary in participating in this proceeding. ATCO further submitted that the description of the nature of the services provided by each of these individuals demonstrates considerable overlap in the work that was undertaken by these consultants.
21. ATCO stated that Calgary's claim appears to be greater than required to conduct a reasonable intervention and the Commission should disallow a portion of these costs based on duplication and redundancy, and recommends a reduction of at least one third. In addition, ATCO submitted that the Commission should further reduce the amounts claimed because Calgary 'materially' and 'negatively' impacted the efficient processing of this matter.<sup>6</sup>
22. ATCO indicated that Calgary initiated numerous procedural debates that caused a delay in the proceeding schedule, and necessitated the filing of various submissions. Additionally, unreasonable challenges relating to ATCO Utilities use of Compass/Utilipoint and efforts to strike proper rebuttal evidence further contributed to the increase in costs of the hearing process.<sup>7</sup>
23. ATCO also noted that Calgary filed submissions that were not contemplated by the Commission's process, which resulted in replies by ATCO that further increased the costs. Furthermore, Calgary reversed its positions during the hearing regarding its intention to call further evidence and its readiness to proceed to a hearing.<sup>8</sup>
24. Lastly, ATCO stated that the Original Application filed was straightforward and contemplated a subsequent second process, via a compliance filing. Much of what transpired during the period between the original filing and the hearing was caused by Calgary. As well, amendments to the original filing, and the revised filing, were precipitated by the attempted negotiation of a settlement and its subsequent collapse which could have been avoided if Calgary had been clearer about its Code of Conduct reservations with the Application from the beginning.<sup>9</sup>
25. On this basis, the ATCO Utilities submitted that the amounts of costs claimed by Calgary are excessive and unjustified and should be reduced.

### 4.2 Calgary's Comments

26. On April 21, 2010, Calgary submitted comments regarding the costs claimed by ATCO Utilities.
27. Calgary submitted that ATCO could not rely on the wording of Order 2007-111 for the recovery of ATCO I-Tek and ITBS benchmarking related costs. Calgary submitted that Order

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<sup>6</sup> ATCO's letter of April 21, 2010, p. 2

<sup>7</sup> ATCO's letter of April 21, 2010, p. 2

<sup>8</sup> ATCO's letter of April 21, 2010, p. 2

<sup>9</sup> ATCO's letter of April 21, 2010, p.3

2007-111 allowed recovery of the reasonable costs incurred by the CPC associated with the IT and CC&B benchmarking projects, not the costs of the ATCO non-regulated affiliates.<sup>10</sup>

28. Calgary noted that the only members of the CPC may call on advisors for assistance. Calgary also noted that the CPC did not call on the ATCO Affiliates to provide assistance to the Benchmark process, the ATCO Utilities did.<sup>11</sup>

29. Calgary stated that it is unfair for customers to be asked to bear the costs of ATCO's unregulated affiliates for activities and processes that those affiliates should recover in the FMV prices they charge for their services.<sup>12</sup>

30. Calgary also stated that the invoices of the affiliates which were attached to the ATCO claim were made out to each utility, and not the CPC. This confirms the costs were not of the CPC for Benchmarking process, contrary to ATCO's claim.

31. Calgary submitted that the Master Service Agreements contain price review provisions and therefore the costs of these price reviews are included in the benchmarked prices in the mark up for general and administration costs. As a result of the benchmarking process leading to Decision 2010-102, the ATCO group of companies have engaged in a price review. If ATCO is allowed cost recovery through the regulatory cost claim process, ATCO is in effect, double dipping and recovering these price review costs twice.<sup>13</sup>

32. Calgary further submitted that if the ATCO claim is accepted by the Commission and paid for by the customers, ATCO I-Tek and ITBS and their shareholders would derive substantial value and benefit from the benchmark process without having to pay for this benefit. This benefit would result from having their contracts and prices assessed by a third party, thereby providing them with an assessment of their business practices and commercial competitiveness.<sup>14</sup>

33. Lastly, Calgary noted that the costs for ATCO I-Tek and ITBS appear to be on an hourly scale rate, with up to 17 positions on the project claiming almost 6000 hours. This seemed excessive in Calgary's opinion, given the limited and minimal requirements of the ATCO affiliates from the Terms of Reference and Project Charter as Calgary understood.<sup>15</sup>

34. For reasons noted above, Calgary submitted that the claims for the Affiliate costs are excessive unfounded and contrary to the public interest. As such Calgary respectfully requests the Commission deny the claim for the ATCO I-Tek and ITBS costs in their entirety.

### **4.3 ATCO Utilities Response to Calgary**

35. On May 6, 2010, ATCO responded to Calgary's comments and submitted that the wording of Order 2007-111 was sufficient to cover the benchmark related costs of ATCO I-Tek and ITBS. ATCO submitted that Calgary had ignored the reference made to ATCO I-Tek/ITBS costs in the April 13, 2007 application (No. 1509540) filed by the ATCO Utilities on behalf of the CPC which led to Order 2007-111. At pages two and three of the application it stated:

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<sup>10</sup> Calgary's letter of April 21, 2010, p. 3

<sup>11</sup> Calgary's letter of April 21, 2010, p. 4

<sup>12</sup> Calgary's letter of April 21, 2010, p. 5

<sup>13</sup> Calgary's letter of April 21, 2010, p. 5

<sup>14</sup> Calgary's letter of April 21, 2010, p. 5

<sup>15</sup> Calgary's letter of April 21, 2010, p. 6

Consistent with the past, members of the CPC will continue to incur costs to support the project as outlined in the Terms of Reference for each benchmark. As well, the ATCO Utilities will incur costs from ATCO I-Tek to support the Benchmarking project as directed by Compass and the CPC. The CPC requests that the AEUB confirm that a cost recovery process for the costs associated with supporting the Benchmarking project will take place at the completion of the project.

36. Further, ATCO submitted that the Order specifically refers to costs incurred to “support” the benchmarking project and this did not exclude I-Tek/ITBS related costs.

37. ATCO stated that it had made it clear to the CPC that costs would be incurred by I-Tek/ITBS to support the benchmarking project, so it would be unfair for Calgary to now suggest I-Tek/ITBS related costs be disallowed.<sup>16</sup>

38. ATCO also noted that ATCO I-Tek and ITBS invoices were directed towards ATCO and that it would make the associated payment, given that the CPC itself was not a source of funds.

39. ATCO submitted that Calgary’s claim that ATCO is double dipping with respect to price review costs suggests that the collaborative process should not have occurred and therefore the Calgary submission is without merit.

40. Lastly, ATCO stated that at no point did Calgary voice the objections that it now advances. Contrary to Calgary’s submissions, the role of ATCO I-Tek/ITBS was key to the completion of the benchmarking exercise.<sup>17</sup>

#### **4.4 Calgary Response to ATCO Utilities**

41. On May 6, 2010, Calgary responded to the ATCO Utilities comments indicating that ATCO reflected a misunderstanding between the True-up Proceeding and the benchmark process that preceded it. Calgary confirmed its submission related to two separate and distinct cost claims.

42. Calgary made note that Mr. Johnson was not involved in the Benchmark process because it was conducted by the CPC and that his involvement related solely to the True-up process which was a rates proceeding.

43. Calgary noted that ATCO claimed the descriptions regarding the nature of services provided by the three consultant’s demonstrated overlap. Calgary referred the Commission to the Calgary cost submission which described the roles that Calgary had undertaken in the proceeding and the activities that the consultants carried out with respect to each item of the application and process. Furthermore, Calgary had the agreement of the UCA and the CCA, with respect to the lead customer role that Calgary would take in the proceeding. Section 4 of the Calgary cost claim provided a full discussion as to the efforts undertaken by Calgary to ensure the costs incurred were reasonable.<sup>18</sup>

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<sup>16</sup> ATCO’s letter of May 6, 2010, p.2

<sup>17</sup> ATCO’s letter of May 6, 2010 p. 3

<sup>18</sup> Calgary’s letter of May 6, 2010 p. 2

44. With respect to the ATCO submission that Calgary's costs should be further reduced because Calgary's actions "materially and negatively impacted the efficient processing of this matter", ATCO had not provided any detail to substantiate this position.

45. ATCO claimed that Calgary changed its position during the hearing. In response, Calgary referred the Commission to pages 7 through 10 of its cost claim wherein it outlined the reasons why Calgary had to change its case as the proceeding progressed.<sup>19</sup>

46. Calgary also stated that Calgary and its consultants were a key component of the Customer Group side in both the benchmarking process and the True-up proceeding. ATCO had not disclaimed this fact and the Commission should place substantial weight on Calgary's role and qualifications in its consideration and disposition of the Calgary cost claim.

#### **4.5 Utilities Consumer Advocate Comments**

47. On May 6, 2010 the UCA provided comments on the cost submissions of the ATCO Utilities and Calgary despite not having submitted initial costs submissions.

48. The UCA stated that it had determined that the consultants and experts retained by Calgary possessed both the expertise as well as an understanding of the history and procedural developments of the proceeding. The UCA confirmed in its submission that Calgary took a lead role in the Application on the part of interveners.

49. The UCA noted the proceeding involved a \$250 million dollar contract between utilities and affiliated unregulated companies and that it was essential that the benchmarking process should be undertaken carefully to ensure independence and protect the end use customers. The UCA supported the costs claimed by Calgary.

50. The UCA submitted that it rejected ATCO's allegations on Calgary's conduct and behavior in the benchmarking process or in the True-Up proceeding.

51. The UCA echoed Calgary's concerns and positions in Calgary's letter of April 21, 2010, with respect to the claim by ATCO for recovery of costs for ATCO I-Tek and ATCO ITBS. The UCA submitted that there was a lack of a specific indication that the ATCO Utilities would be invoiced for time spent providing the required information to the benchmarkers. Further, the UCA submitted that the costs expended by unregulated companies to justify and support the costs they charged to regulated utilities, should not be borne by end use customers.<sup>20</sup>

#### **4.6 ATCO Utilities Response to UCA**

52. On August 13, 2010 ATCO replied to the UCA's comments submitted on May 6, 2010. ATCO stated that the UCA's actions were inappropriate and have created the need for additional process steps, associated costs, and further delayed the disposition of this matter by the Commission.

53. ATCO submitted that the UCA supports the costs claimed by Calgary, but does not address any of the concerns raised by ATCO in its April 21, 2010 and May 6, 2010 filings, and therefore does not assist Calgary in the justification of its cost claim.

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<sup>19</sup> Calgary's letter of May 6, 2010 p. 4

<sup>20</sup> UCA's letter of May 6, 2010, p. 2

54. ATCO further submitted with respect to the UCA comment on ATCO's recovery of ATCO I-Tek costs incurred as part of the Benchmarking process that the UCA did not exist at the time that the events transpired and therefore could not speak to those events.

55. ATCO noted that the UCA speculated on what a third party might do if submitting a "tender" for a project, which is inapplicable and misleading. The work performed by ATCO I-Tek and ATCO ITBS as part of the Benchmarking Process was work undertaken at the express request of the CPC, as part of the Benchmarking exercise. ATCO I-Tek/ITBS also noted that if it had declined to assist in this work, it is doubtful that the process could have been completed.<sup>21</sup>

56. ATCO stated in its earlier submissions that it fully explained and justified why the ATCO I-Tek/ITBS costs are reasonable and appropriate and should be approved for recovery.

#### **4.7 ATCO Utilities Response to Information Requests of the Commission**

57. On September 21, 2010 the Commission issued a letter requesting additional information from the ATCO Utilities with respect to the costs invoiced by ATCO I-Tek in connection with the benchmarking process. In its correspondence the Commission requested ATCO address the following questions relating to the work performed by ATCO I-Tek:

1. Please provide all relevant materials, including contracts, agreements, letter agreement and statements of work which reflect the agreement of ATCO I-Tek and the ATCO Utilities to the work to be performed by ATCO I-Tek for the Collaborate Process. In particular, please provide any relevant documentation that reflects the agreement of ATCO I-Tek and the ATCO Utilities with respect to:
  - a. a description of the work to be performed,
  - b. the ATCO I-Tek personnel that were to perform the work;
  - c. the rates to be charged by each of the personnel involved; and
  - d. the degree to which the work and the costs incurred by ATCO I-Tek were to be monitored by the ATCO Utilities or the Collaborative Process Committee.

To the extent that the contractual basis for the work to be performed by ATCO I-Tek is the Master Service Agreements between the ATCO Utilities and ATCO I-Tek please provide relevant extracts including definitions.

2. Please provide all documentation and an explanation of how the rates charged by ATCO I-Tek personnel for the work outlined in request No. 1 above were determined and agreed to by the ATCO Utilities and/or the Collaborative Process Committee.
3. Please provide all documentation other than the April 13, 2007 Application, that supports the position that the Collaborative Process Committee authorized or approved the performance of the work outlined in the response to request No. 1 and the rates charged by ATCO I-Tek personnel outlined in the

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<sup>21</sup> ATCO's letter of August 13, 2010, p. 2

response to request No. 2.

58. In a response dated October 5, 2010 to the Commission's information requests the ATCO Utilities noted the following with respect to the provisions of the Project Charter and the role of ATCO I-Tek:

The Benchmarking process was governed by the Project Charter which was signed by the following participants: Compass/UtiliPoint (Benchmarkers), the ATCO Utilities, the Customer Group, and ATCO I-Tek. The Project Charter is included in the confidential (redacted) portion of the Benchmark Report. The Project Charter outlines six phases of the Benchmark process. The majority of the work performed by ATCO I-Tek was in the collection and validation of data (Phase 3). The Project Charter identifies key personnel on the project including Project Governance, AUC (AEUB) Observers, ATCO I-Tek Subject Matter Experts, and ATCO I-Tek Project Managers. The rates charged to the ATCO Utilities by ATCO I-Tek for Benchmarking activities are the Fair Market Value (FMV) amounts translated to the True Up tables for 2007 except for Senior Project Manager for which a true up rate did not exist.<sup>22</sup> ...

As indicated above, the Project Charter governed all the Benchmarking process. Parties, including the Benchmarking process, the ATCO Utilities, the Customer Group, and ATCO I-Tek signed off on the Charter agreeing to the process. The Project Charter outlines the requirement for all phases of the project, including data gathering and validation which required a significant involvement of ATCO I-Tek to provide and validate data required by Compass/UtiliPoint to complete the Benchmarking.<sup>23</sup>

## **5 VIEWS OF THE COMMISSION – ASSESSMENT**

### **5.1 Across-the-Board Reductions**

59. The ATCO Utilities and Calgary submitted cost claims with respect to both the period prior to the filing of the Application on February 21, 2008 relating to the activities cumulating in the finalization of the benchmark report (Benchmarking Phase) and with respect to the period subsequent to the filing of the Application (Application Phase). AMUA and the Aboriginal Communities submitted cost claims with respect to the Benchmarking Phase only. Having considered the various cost claims in the context of the proceeding, several observations are necessary relating to the overall efficiency and management of the Benchmarking Phase as well as the delays and process inefficiencies caused by basic misunderstandings among the parties during the Application Phase. Indeed, it appears to the Commission that the members of the CPC demonstrated little concern with the costs and expenses incurred by the CPC members themselves and the support personnel engaged by them throughout both phases of this proceeding despite the shared expectation that these costs would be charged to customers. In the circumstances and given that customers bear the costs associated with approved cost claims, the Commission considers that across-the-board reductions to all cost claims are required.

#### **5.1.1 Across-the-Board Reductions to Benchmarking Phase Costs**

60. With respect to the Benchmarking Phase the Commission notes a general lack of overall discipline relating to the operation of the CPC and the benchmarking process. This includes an

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<sup>22</sup> ATCO letter dated October 5, 2010 page 3.

<sup>23</sup> ATCO letter dated October 5, 2010 page 6.

apparent lack of cost control measures and cost accountability other than with respect to the cost of the benchmark consultants whose costs had previously been set by a contract approved by the Board. In particular, the Commission notes the cost claims filed by the ATCO Utilities with respect to the costs invoiced by ATCO I-Tek for consulting services in the amount of \$975,795.85 plus disbursements. \$710,914.02 of these costs were incurred in respect of IT Benchmarking and costs in the amount of \$264,881.83, were incurred in respect of CC&B Benchmarking.

61. Calgary supported by the UCA, suggests that ATCO I-Tek costs should not be allowed. The ATCO Utilities refer to Order U2007-111 which stated that the Board “agrees that prudent and reasonable costs incurred by the CPC, to support the continuation of the benchmarking projects, are recoverable”. The ATCO Utilities also refer to the language of the application No. 1509540 filed by the ATCO Utilities on behalf of the CPC noted above which specifically referenced that the “ATCO Utilities will incur costs from ATCO I-Tek to support the Benchmarking projects as directed by Compass and the CPC”. The ATCO Utilities further referred to the Project Charter which was signed off by the ATCO Utilities, the Customer Group, ATCO I-Tek and the benchmark consultants. The Project Charter requires the ATCO Utilities and ATCO I-Tek to undertake data collection and verification activities necessary for the benchmarking exercise

62. It is clear from a review of the activities conducted by ATCO I-Tek as set out in the “IT Benchmark Project Summary Report” and in the “CC&B Benchmark Project Summary Report” attached to the ATCO Utilities cost claim that the active involvement of ATCO I-Tek was needed in connection with the assembly and use of the data required by the benchmark consultants in carrying out its benchmarking analysis. The Commission is also persuaded that the CPC was aware of the required involvement of ATCO I-Tek given the requirements of the Project Charter and the content of the joint application leading to Order 2007-111. In this regard the Commission notes the following activities undertaken by Calgary listed in its cost submission:

- In collaboration with ATCO, drafted an application to the AEUB to approve, among other things, benchmark consultants as selected by the CPC.<sup>24</sup>

63. The application referred to in Calgary’s cost submission above is application No. 1509540 which stipulated “... the ATCO Utilities will incur costs from ATCO I-Tek to support the Benchmarking project as directed by Compass and the CPC”.<sup>25</sup> Application No. 1509540 led to Order 2007-111 which stated “...that prudent and reasonable costs incurred by the CPC, to support the continuation of the benchmarking projects, are recoverable”.

64. The Calgary cost claim also refers to the following activities undertaken by Calgary:

On behalf of the CG, during the benchmark process, participated in numerous meetings, conference calls and interviews with the benchmark consultant and ATCO on various issues requiring revisions and agreement, including the following:

- ...
- drafting of a Project Charter;

<sup>24</sup> Calgary letter dated November 30, 2008, page 3.

<sup>25</sup> See paragraph 35 above.



- collection of data for the benchmark;
- data verification;
- format and content of benchmark data true-up worksheets to be used in benchmark report;
- ...
- review format and content of various drafts of the benchmark report

●On behalf of the CG, during the benchmark process, conducted various analyses of data, reports and other documents, summarized and communicated results of those analyses to the CG and incorporated CG input into benchmark process, including various meetings with benchmark consultants, ATCO, CPC members and support personnel of ATCO and ATCO I-Tek.<sup>26</sup>

65. The Commission considers that reasonable costs incurred by ATCO I-Tek to support the benchmarking activity was approved by the Board and that ATCO I-Tek's involvement was agreed to by the CPC.

66. It is apparent from a review of the cost claims filed in this proceeding and from the record of the proceeding that most of the activities undertaken in connection with the preparation of Terms of Reference for the benchmark exercise, the retention of the benchmark consultants, the drafting of the Project Charter, meeting with the benchmark consultants, the review and verification of data, the preparation of the True-Up Worksheets and the review of draft and final benchmark reports were a joint responsibility of the CPC and the ATCO Utilities. This conclusion is confirmed by the project governance provisions of the Project Charter referred to by the ATCO Utilities in their letter of October 5, 2010. These provisions provide:

Core project team representatives from the CPC are responsible for the on-going governance of the project, coordinating resources and ensuring the timely and accurate completion of tasks as outlined in the project schedule including reviewing and providing timely feedback to Compass and UtiliPoint on key deliverables such as this Project Charter and final report(s).<sup>27</sup>

67. Given that ratepayers are being asked to bear the burden of approved costs the Commission considers that all members of the CPC must bear some responsibility for the management of the CPC process including upfront planning and assessment of the data and manpower requirements, development of common terminology, suitability of the benchmark consultant's methodologies to the benchmarking of ATCO I-Tek services, scheduling and timeliness of necessary activities, the deliverables of the benchmark report and the management of the costs of the activities carried out in support of CPC related activities. This view is strongly reinforced when it is considered that the collaborative benchmarking process has been ongoing since December 2002.<sup>28</sup>

68. Given the joint responsibility for the management of the CPC process, the CPC must also jointly share responsibility for many of the inefficiencies in the benchmarking process that resulted in higher costs. The "IT Benchmark Project Summary Report" and the "CC&B Benchmark Project Summary Report" attached to the ATCO Utilities cost claim referred to

<sup>26</sup> Calgary letter dated November 30, 2008, page 3.

<sup>27</sup> Project Charter page A-2.

<sup>28</sup> Decision 2010-102 paragraph 23.

above highlight some of the inefficiencies that occurred in the interaction between ATCO I-Tek and the benchmark consultants as a result of the timelines, data requirements and reporting formats established by the CPC sponsored benchmark process. These inefficiencies led to higher overall costs of the benchmarking process. A few of these inefficiencies are listed below:

- Several iterations of the data collection templates were required before the data collection process was finalized. Because of extremely tight deadlines, multiple changes in this process resulted in some additional data collection and mapping effort.
- Fixed, non-negotiable milestones for data collection were struck at the projects outset by the overall project manager, Compass. In order to meet the project deadlines, ATCO I-Tek resourced that data collection effort accordingly to meet the timelines dictated. Approximately 90% of ATCO I-Tek's work effort took place in the 3 months of May, June and July 2007, with June itself making up over 50% of the total.
- The Compass data collection workbooks and worksheets for each service tower differed in formatting, layouts, and IT terms creating some inefficiency.
- Consultant staffing by Compass was uneven in some of the service towers....As timelines were fixed, this resulted in inefficiencies in data collection related to the Distributed Applications, LAN WAN Voice, and Mainframe service towers, as all data collection processes from these ATCO I-Tek service areas were routed to a single Compass consultant....
- Data collection began before Compass consultants became available for onsite, face to face discussion and direction.
- The term "Distributed Application" had different connotations in the True-Ups, in ATCO I-Tek's MSA, and in Compass's vernacular. This compounded the effort to determine accurate reporting numbers in this area.
- Turn around time on communication with the Benchmarking, given overall workload, was an issue and impacted the level of detail that could be provided to meet deadlines.<sup>29</sup>
- Some of the business terminology used by the utilities and ATCO I-Tek differed from that utilized by the consultants and it was necessary to clarify many of the data collection terms and requirements.
- ...With a very small number of Utilipoint consultants working on multiple towers, and the fact that most of the work was conducted offsite at the consultants' locations, additional time was required to manage the communications and validation of data.<sup>30</sup>

69. These inefficiencies and the resulting inefficiencies in the process leading to the completion and review of the benchmark report and the lack of apparent CPC project management and cost accountability have resulted in additional costs that ratepayers are now being asked to bear. As a consequence of the inefficiencies carried out in support of CPC related activities associated with the benchmarking exercise the Commission considers that an across-

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<sup>29</sup> IT Benchmark Project Summary Report pages 6, 9 and 10.

<sup>30</sup> CC&B Benchmark Project Summary Report page 8.

the-board reduction of 20% is required in respect of the cost claims of all parties related to the Benchmarking Phase.

### 5.1.2 Reduction to ATCO Utilities and Calgary Application Phase Costs

70. With respect to the Application Phase the Commission notes a general lack of communication and an apparent general misunderstanding with respect to the application and use of the benchmark report. This lack of communication or misunderstanding is of particular significance given the collaborative purposes for which the CPC was formed and the length of time it took for the CPC to agree on Terms of Reference, the benchmark consultants, the Project Charter, the True-Up Worksheets and to ultimately sign-off on the benchmark report.

71. The lack of communication or basic misunderstanding between the ATCO Utilities and the other members of the CPC initially became apparent with respect to the “comprehensive agreement” reflected in the ATCO letter of April 9, 2008.<sup>31</sup> In that letter ATCO informed the Commission that the CG and ATCO had resolved all of the outstanding issues regarding the Application. ATCO added that the CG now fully supported the ATCO Utilities request that the AUC approve the increase/(decrease) to revenue requirement placeholders for each of the ATCO Utilities. The CG responded by letter dated April 11, 2008 reflecting support for the ATCO letter but reserved its right to “...make submissions in respect of the compliance by any of the ATCO Utilities with the provisions of Article 4 Transfer Pricing of the ATCO Utilities Interaffiliate Code of Conduct...” Subsequently only Calgary and the UCA filed SIPs and participated further in the proceeding. As described in paragraphs 49 – 69 of Decision 2010-102, substantial process and significant delay followed as the Commission attempted to discover the positions of the parties and clarify the matters in dispute. Ultimately, the misunderstanding among the parties with respect to the contents and purpose of the “comprehensive agreement” resulted in the filing of Rebuttal Evidence which amended the original application to reverse the effects of the April 9, 2008 letter. The Commission subsequently issued a ruling dated August 14, 2009<sup>32</sup> in which it found no basis for a negotiated settlement agreement among the parties. These events then led to several procedural motions, the filing of supplemental Calgary evidence, Calgary confidential evidence, confidential rebuttal evidence and a confidential portion of the oral hearing.

72. In light of the above inefficiencies with the Application Phase of the proceeding and bearing in mind that ratepayers incur the burden of paying approved costs, the Commission considers that an across-the-board reduction of 10% is required for all parties claiming Application Phase costs.

## 5.2 ATCO Utilities

73. ATCO Utilities submitted a cost claim totaling \$1,376,225.02, including disbursements of \$53,891.68. These amounts were split into fees of \$978,630.85 together with disbursements of \$30,436.65 with respect to the Benchmarking Phase and fees of \$343,702.50 together with disbursements of \$23,455.03 with respect to the Application Phase. The total claim is comprised of legal fees incurred by Bennett Jones LLP in the amount of \$263,175.00, together with disbursements of \$2,980.61; consulting services in the amount of \$83,362.50, together with disbursements of \$2,963.09; ATCO I-Tek (IT Benchmarking) costs in the amount of \$710,914.02, together with disbursements of \$8,784.72, ATCO I-Tek (CC&B Benchmarking)

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<sup>31</sup> Exhibit 6.

<sup>32</sup> Exhibit 72.

costs in the amount of \$264,881.83, together with disbursements of \$20,626.41; and ATCO Utilities internal disbursement costs in the amount of \$18,536.85 for transcripts, meals and meeting rooms.

74. The ATCO Utilities proposed an allocation of costs among the hearing cost reserve accounts of the several utilities as follows: 40% to each of ATCO Gas and ATCO Electric and 20% to ATCO Pipelines.

75. The Commission notes that ATCO claimed in excess of the Commission's *Scale of Costs* for the Benchmarking Phase for an individual lawyer from Bennett Jones LLP.

- Loyola Keough claimed 8.1 hours at the hourly rate of \$350 (\$2,835.00). Based on Mr. Keough's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 8.1 hours results in a total of \$2,025.00.

76. The total claim for Bennett Jones LLP reduced in accordance with Rule 22 and the applicable *Scale of Costs*, for costs incurred during the Benchmarking Phase is \$2,025.00 in fees and \$4.78 in disbursements for a total of \$2,029.78.

77. The Commission notes that ATCO claimed in excess of the Commission's *Scale of Costs* for the Application Phase for individual lawyers of Bennett Jones LLP.

- Loyola Keough claimed 516 hours at the hourly rate of \$350 (\$180,600.00). Based on Mr. Keough's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 516 hours results in a total of \$129,000.00.
- Martin Kay claimed 0.4 hours at the hourly rate of \$350 (\$140.00). Based on Mr. Kay's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 0.4 hours results in a total of \$100.00.
- Duncan Card claimed 3.2 hours at the hourly rate of \$350 (\$1,120.00). Based on Mr. Card's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 3.2 hours results in a total of \$800.00.
- Blake Williams claimed 326.5 hours at the hourly rate of \$240 (\$78,360.00). Based on Mr. Williams's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$140, which for 326.5 hours results in a total of \$45,710.00.
- Karen Beattie claimed 0.5 hours at the hourly rate of \$240 (\$120.00). Based on Ms. Beattie's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$140, which for 0.5 hours results in a total of \$70.00.

78. The total claim for Bennett Jones LLP reduced in accordance with Rule 22 and the applicable *Scale of Costs*, for costs incurred during the Application Phase is \$175,680.00 in fees and \$2,975.83 in disbursements for a total of \$178,655.83.

79. The ATCO Utilities also claimed in excess of the Commission's *Scale of Costs* during the Application Phase for employees of Compass and UtiliPoint. Bill Fowler claimed 172 hours at the hourly rate of \$270 (\$46,440.00). Based on Mr. Fowler's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 172 hours results in a total of

\$43,000.00. Jon Brock claimed 136.75 hours at the hourly rate of \$270 (\$36,922.50). Based on Mr. Brock's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 136.75 hours results in a total of \$34,187.50. The total claim during the Application Phase for Compass and UtiliPoint reduced in accordance with Rule 22 and the applicable *Scale of Costs* is \$77,187.50 in fees and \$2,963.09 in disbursements for a total of \$80,150.59.

80. ATCO Utilities also claimed in excess of the Commissions *Scale of Costs* during the Benchmarking Phase, for ATCO I-Tek costs incurred in connection with the IT Benchmarking and CC&B Benchmarking. The senior project managers for IT Benchmarking claimed 165.8 hours at the hourly rate of \$263.38 (\$43,668.40). Based on their experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 165.8 results in a total of \$41,450.00. One of the project managers claimed 8 hours at the hourly rate of \$183.63 (\$1,469.04.00). Based on their experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$140, which for 8 hours results in a total of \$1,120.00. One of the consultants claimed 4 hours at the hourly rate of \$177.86 (\$711.44). Based on their experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$140, which for 4 hours results in a total of \$560.00.

81. The senior project managers for CC&B Benchmarking claimed 220.5 hours at the hourly rate of \$263.38 (\$58,075.29). Based on their experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 220.5 hours results in a total of \$55,125.00. Three professional service personnel claimed a total of 111 hours at the hourly rate of \$109.00 (\$12,099.00). Based on their experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$100.00, which for 111 hours results in a total of \$11,100.00.

82. The total claim during the Benchmarking Phase for ATCO I-Tek IT Benchmarking costs reduced in accordance with Rule 22 and the applicable *Scale of Costs* is \$708,195.14 in fees and \$8,784.72 in disbursements for a total of \$716,979.86. The total claim during the Benchmarking Phase for ATCO I-Tek CC&B Benchmarking costs reduced in accordance with Rule 22 and the applicable *Scale of Costs* is \$260,932.54 in fees and \$20,626.41 in disbursements for a total of \$281,558.95.

83. Taking the foregoing into account, ATCO's cost claim for the Benchmarking Phase (other than disbursements) is reduced in the following manner:

\$971,152.68 reduced by the 20 per cent (\$194,230.54) across-the-board reduction = \$776,922.14

84. ATCO's cost claim for the Application Phase (other than disbursements) is reduced in the following manner:

\$252,867.50 reduced by the 10 per cent (\$25,286.75) across-the-board reduction = \$227,580.75

85. Accordingly, the Commission considers ATCO's claims for fees as reduced above to \$1,004,502.89 plus disbursements of \$53,891.68 for a total amount of \$1,058,394.57 to be reasonable. ATCO's proposed methodology for allocation of approved costs to the hearing cost reserve accounts of the various utilities is accepted.

### 5.3 The City of Calgary

86. Calgary submitted a cost claim totaling \$932,670.11. The claim is comprised of legal fees incurred by McLennan Ross LLP in the amount of \$151,900.00, together with disbursements of \$10,024.27 for Application No. 1562012 (Benchmarking and I-Tek Placeholders True-up) relating to the Application Phase, and \$16,500.00, together with disbursements of \$341.48 for Application No. 1509540 (Benchmarking of IT and CC&B Services) relating to the Benchmarking Phase; consulting services incurred by Stephen Johnson Chartered Accountants in the amount of \$184,301.70, together with disbursements of \$3,472.62 for Application No. 1562012 and \$293,228.75, together with disbursements of \$2,015.80 for Application No. 1509540; consulting services incurred by Stephens Consulting Ltd. in the amount of \$130,968.00, together with disbursements of \$1,275.07 for Application No. 1562012 and \$136,830.50, together with disbursements of \$1,812.92 for Application No. 1509540. The Commission notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*.

87. The Commission considers the costs claimed by Calgary in respect of the Benchmarking Phase to be excessive in light of the apparent lack of understanding that the Calgary representatives on the CPC had of the benchmarking process. In its evidence and in testimony as confirmed in its cost submission, “Calgary has been the lead intervener in the benchmarking efforts since the outset of involvement.”<sup>33</sup> As outlined in Calgary’s cost submission, Calgary’s responsibilities included:

- Throughout the benchmark process, coordinating efforts of the Customer Group (“CG”) and acted as liaison between the CG and ATCO in the Collaborative Process Committee (“CPC”), between the CG and the benchmark consultant as well as with the AEUB/Commission staff observers.
- On behalf of the CG, during the benchmark process, conducted various analyses of data, reports and other documents, summarized and communicated results of those analyses to the CG and incorporated CG input into benchmark process, including various meetings with benchmark consultants, ATCO, CPC members and support personnel of ATCO and ATCO I-Tek.<sup>34</sup>

88. Despite the lead CG role played by Calgary, its representatives apparently had very little understanding of what turned out to be the major area of contention in the Application Phase of the proceeding, namely how the benchmark report was to be used. Nor did they have an understanding of the methodology by which the benchmark consultant translated the fair market value benchmark results derived at the tower level into line items using the True-Up Worksheets developed by the CPC or how the True-Up Worksheets would be used in replacing the revenue requirement placeholders. The Calgary representatives appeared to have little, if any, understanding of the implications of using this methodology with respect to any assertion that the line item allocations represented the fair market value of each line item.

89. The lack of understanding of the intended use of the benchmark report is apparent in the following exchange between Mr. Matwchuk, witness for Calgary, and Commission Counsel:

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<sup>33</sup> Calgary’s letter dated November 30, 2008, page 2.

<sup>34</sup> Calgary’s letter dated November 30, 2008, pages 2 and 3.

Q So, sir, what do you think the views of the Customer Group were -- since as you mentioned you indicated Calgary was leading the charge, what do you think the intention of the Customer Group was with respect to how the benchmarking report would be used after the signoff?

A MR. MATWICHUK: Well, I guess we were in the position, as the Customer Group at the time, sir, waiting to see how ATCO would file to use the fair market values from the benchmark report, use the benchmark results, and translate that into revenue requirement, so that was the position of the -- of the CG at the time, was waiting so see how ATCO would file.

Q Is that unclear from the fact that they've developed these worksheets with the express intention of trueing-up the revenue requirement and replacing the placeholders? Was it unclear what they intended to do?

A MR. MATWICHUK: Was it not clear that they intended to . . . ?

Q Was it unclear what their purpose was going to be and how they were going to use the worksheets?

A MR. MATWICHUK: Yes, it was unclear, yes, because the February filing was a few scant pages, and that's why I believe -- I can't recall whether it was Calgary or CG at the time had requested the backup, the support, the schedules, the fulfilling. And as you're probably aware, that didn't happen until October of that year.

Q What was your expectation on how the ATCO Utilities would use the true-up sheets resulting from the benchmark report?

A MR. MATWICHUK: I don't think I had any expectations. I think we were waiting to see how they would use them.<sup>35</sup>

90. The lack of understanding of the methodology used by the benchmark consultant in translating the fair market value benchmark results derived at the tower level into line items using the True-Up Worksheets and the implications of this methodology with respect to the ability to claim that the line item allocations represented the fair market value of each line item is apparent in the following exchange between Mr. Matwichuk and the Chair:

Q So, Mr. Matwichuk, I'm coming down the other side of the tree and trying not to go to the root cellar. Can you give me what your understanding is of how the benchmarker took the tower price and broke it down into line items?

A MR. MATWICHUK: I'm afraid I won't have much detail for you other than what's in the benchmark report, that it was, on a high level, an allocation from the benchmarked tower.<sup>36</sup>

91. This lack of understanding of the methodology used by the benchmark consultant in translating the fair market value benchmark results derived at the tower level into line items using the True-Up Worksheets and the implications of the application of this methodology was also demonstrated in the following exchange between Mr. Matwichuk and Commission Counsel:

Q Okay. Sir, in signing off on the charter and in signing off on the benchmarking report itself, you were familiar with how the tower analysis was done by the benchmark; is that correct?

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<sup>35</sup> Transcript pages 641– 643.

<sup>36</sup> Transcript pages 810 - 811.

A MR. MATWICHUK: I had some familiarity, yes.

Q And you were aware with how they determined their fair market value through their comparative group analysis, correct?

A MR. MATWICHUK: I had some familiarity, and I think got more education in the testimony yesterday and earlier today.

Q And were you aware that they benchmarked the year 2003 only and then apply a methodology to come up with fair market values for 2004 to 2007?

A MR. MATWICHUK: Yes.

Q Sir, were you aware of how they disintegrated the fair market value determinations in coming up with the line items?

A MR. MATWICHUK: I can't say I'm even clear on that today, sir, on how they do it, to answer your question specifically. But I do realize that that is something they did do.

Q And you had an opportunity to ask them how they did it?

A MR. MATWICHUK: Yes, we did.

Q And you went through the worksheets with them many times, correct?

A MR. MATWICHUK: Yes.<sup>37</sup>

92. The implications of the allocation methodology was further discussed in the following exchange between Mr. Matwichuk and Commission Counsel:

Q And, sir, you were aware that each line item had not been separately benchmarked, correct?

A MR. MATWICHUK: We were aware that it could be not separately benchmarked, but they were ascribed a fair market value.

Q What was your understanding of what was benchmarked?

A MR. MATWICHUK: Our understanding was that the service towers were benchmarked and then there were, as you heard, allocated in some manner down to the fair market value items at the service line item level.

Q And with that knowledge, you signed off on the document, correct?

A MR. MATWICHUK: Yes, sir, because up until the time of the rebuttal of May 1, those line items had been referred to as services, and that was our common understanding. And that understanding dates from previous ATCO filings, from Board decisions, from discussions with ATCO, and from interchanges within the CPC.

Q But again, sir, your testimony is that you were aware they benchmarked the towers, not the individual line items, so it was the service towers that were benchmarked, correct, on an aggregate-tower basis?

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<sup>37</sup> Transcript pages 646 – 647.



A MR. MATWICHUK: Yes. There's a difference -- as I understand it from this hearing, there's a difference between --

Q Sir, we're not talking about today. We're talking about what your understanding was at the time you signed off.

A MR. MATWICHUK: So our understanding, yes, was that they benchmarked the towers and then came up with fair market values for each of the line items, and they expressed an opinion that supported those fair market values at the service line item level.<sup>38</sup>

93. Then at page 652 of the transcript Commission Counsel asked Mr. Matwichuk the following question:

Q And you're also aware that in some cases separate towers are not separately -- not always available, if ever, on a standalone basis, but rather they're grouped together particularly on the CC&B side, through your discussions with the benchmark?

A MR. MATWICHUK: Just bear with me a second.

Sir, I was just checking. I think that level of awareness came about in this proceeding and not during the benchmark process.

94. The Commission considers that Calgary did not command the level of knowledge and understanding of the benchmarking process, the methodologies used in translating the benchmark results to the service line item level or the implications of that exercise that would be reasonably expected of the lead consumer representatives participating in the benchmarking exercise. Had Calgary had the level of knowledge and understanding to be reasonably expected, the nature of this proceeding and the matters in dispute may have been different. It is not a sufficient defense in justifying costs to suggest that information was difficult to obtain from the ATCO Utilities, that the interveners were awaiting future filings by the ATCO Utilities to understand how the benchmark report would be used or that Calgary was simply relying on the Terms of Reference for an understanding of the outcomes and implications of the benchmark report. In these circumstances Calgary's costs with respect to the Benchmarking Phase can not be fully justified and warrant, in the Commission's view, a 25 per cent reduction to the balance of the Benchmarking Phase costs claimed by Calgary after the across-the-board reductions referred to above.

95. Taking the foregoing into account, Calgary's cost claim for the Benchmarking Phase (other than disbursements) is reduced in the following manner:

\$446,559.25 reduced by the 20 per cent (\$89,311.85) across-the-board reduction = \$357,247.40

\$357,247.40 reduced by 25 per cent of balance (\$89,311.85) = \$267,935.55

96. Calgary's cost claim for the Application Phase (other than disbursements) is reduced in the following manner:

\$467,169.70 reduced by the 10 per cent (\$46,716.97) across-the-board reduction = \$420,452.73

<sup>38</sup> Transcript pages 650- 651.

97. Accordingly, the Commission considers Calgary's claims for fees as reduced above to \$688,388.28 plus disbursements and applicable GST in the total amount of \$707,329.44 to be reasonable. The Commission will allocate the approved costs in the same manner as the approved costs of the ATCO Utilities.

#### **5.4 Alberta Urban Municipalities Association**

98. AUMA submitted a cost claim totaling \$1,327.65 on November 28, 2007 with respect to Application No. 1509540 all of which relate to the Benchmarking Phase. The claim is comprised of consulting fees incurred by Robert L. Bruggeman Regulatory Consulting Ltd. (RLB Consulting Ltd.) for the IT Benchmark Consultants in the amount of \$205.84, together with disbursements and GST of \$2.92 and \$12.53 respectively to ATCO Electric (AE); \$205.83, together with disbursements and GST in the amount of \$2.92 and \$12.53 respectively to ATGO Gas (AG); and \$205.83, together with disbursements and GST of \$2.91 and \$12.52 respectively to ATCO Pipelines (AP). The Costs for the IT Benchmark Consultants were split one third between AE, AG and AP. AUMA also submitted costs for the CC&B Benchmark Consultants for the Services of RLB Consulting Ltd. in the amount of \$103.12, together with disbursements and GST of \$1.46 and \$6.27; and \$514.38 together with disbursements and GST of \$7.29 and \$31.30 respectively. This claim was split between AG and AE, with 16.7% of costs to AE, and 83.3% of costs to AG. The AUMA claims for professional fees and other claims were in accordance with the *Scale of Costs*.

99. Taking the foregoing into account, AUMA's cost claim (other than disbursements) is reduced by the across-the-board reduction for Benchmarking Phase of 20 per cent resulting in \$988.00. The Commission considers AUMA's claims for fees as reduced above to \$988.00 plus disbursements and applicable GST in the total amount of \$1,080.65 and the proposed allocation to be reasonable.

#### **5.5 Aboriginal Communities**

100. The Aboriginal Communities submitted a cost claim totaling \$12,625.00 with respect to Application No. 1509540 all of which relate to the Benchmarking Phase. The claim is comprised of consulting services incurred by Graves Engineering.

101. The Aboriginal Communities did not respond to the Commission's request of July 30, 2010 for a Statement of Justification of the costs claimed. The Commission considers that the Aboriginal Communities have failed to satisfy the filing requirements for a cost claim as set out in section 9 and Appendix C of Rule 22 and accordingly denies the claim in full.

### **6 GST**

102. In accordance with the Commission's treatment of the GST on cost awards, each Utility 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 \$75.15. The GST allowed by the Commission may also be charged against each Utility's Hearing Cost Reserve Account.

103. 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.

## 7 ORDER

IT IS HEREBY ORDERED:

1. ATCO Electric Ltd. shall pay intervener costs in the amount of \$283,202.11, as set out in column (c) of [Appendix D](#).
2. ATCO Electric Ltd.'s external costs in the amount of \$438,840.82, as set out in column (c) of [Appendix C](#), are approved.
3. ATCO Electric Ltd. shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$722,042.93, as set out in column (b) of [Appendix E](#).
4. ATCO Gas North shall pay intervener costs in the amount of \$141,780.99, as set out in column (c) of [Appendix D](#).
5. ATCO Gas North's external costs in the amount of \$226,289.02, as set out in column (c) of [Appendix C](#), are approved.
6. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$368,070.01, as set out in column (b) of [Appendix E](#).
7. ATCO Gas South shall pay intervener costs in the amount of \$141,780.99, as set out in column (c) of [Appendix D](#).
8. ATCO Gas South's external costs in the amount of \$226,289.02, as set out in column (c) of [Appendix C](#), are approved.
9. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$368,070.01, as set out in column (b) of [Appendix E](#).
10. ATCO Pipelines North shall pay intervener costs in the amount of \$70,823.00, as set out in column (c) of [Appendix D](#).
11. ATCO Pipelines North's external costs in the amount of \$83,487.85, as set out in column (c) of [Appendix C](#), are approved.
12. ATCO Pipelines North shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$154,310.85, as set out in column (b) of [Appendix E](#).

13. ATCO Pipelines South shall pay intervener costs in the amount of \$70,823.00, as set out in column (c) of [Appendix D](#).
14. ATCO Pipelines South's external costs in the amount of \$83,487.85, as set out in column (c) of [Appendix C](#), are approved.
15. ATCO Pipelines South shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$154,310.85, as set out in column (b) of [Appendix E](#).

Dated on October 29, 2010.

## ALBERTA UTILITIES COMMISSION

*(Original signed by)*

Willie Grieve  
Chair

*(Original signed by)*

Bill Lyttle  
Commissioner

*(Original signed by)*

Anne Michaud  
Commissioner

**APPENDIX A – COSTS CLAIMED AND AWARDED BENCHMARKING PHASE**



Appendix A.xls

**APPENDIX B – COSTS CLAIMED AND AWARDED APPLICATION PHASE**



Appendix B.xls

**APPENDIX C – OVERALL TOTAL AMOUNT AWARDED**



Appendix C.xls

**APPENDIX D – INTERVENER COST AWARDS FOR EACH ATCO UTILITY**



Appendix D.xls

**APPENDIX E – TOTAL AMOUNT – HEARING COST RESERVE ACCOUNT**



Appendix E.xls

ATCO Utilities  
Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
(1562012 and 1509540)

Costs Claimed and Awarded Benchmarking Phase

	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)
<b>APPLICANT</b>								
<b>ATCO Electric</b>								
Bennett Jones LLP	\$1,134.00	\$1.91	\$0.00	\$1,135.91	\$648.00	\$1.91	\$0.00	\$649.91
ATCO I-Tek (IT Benchmarking)	\$236,971.34	\$2,928.24	\$0.00	\$239,899.58	\$226,622.44	\$2,928.24	\$0.00	\$229,550.68
ATCO I-Tek (CC&B Benchmarking)	\$44,235.26	\$3,444.61	\$0.00	\$47,679.87	\$104,373.01	\$3,444.61	\$0.00	\$107,817.62
ATCO Utilities	\$0.00	\$408.30	\$0.00	\$408.30	\$0.00	\$408.30	\$0.00	\$408.30
<b>Sub-Total</b>	<b>\$282,340.60</b>	<b>\$6,783.06</b>	<b>\$0.00</b>	<b>\$289,123.66</b>	<b>\$331,643.45</b>	<b>\$6,783.06</b>	<b>\$0.00</b>	<b>\$338,426.51</b>
<b>ATCO Gas North</b>								
Bennett Jones LLP	\$567.00	\$0.96	\$0.00	\$567.96	\$324.00	\$0.96	\$0.00	\$324.96
ATCO I-Tek (IT Benchmarking)	\$118,485.67	\$1,464.12	\$0.00	\$119,949.79	\$113,311.22	\$1,464.12	\$0.00	\$114,775.34
ATCO I-Tek (CC&B Benchmarking)	\$110,323.28	\$8,590.90	\$0.00	\$118,914.18	\$52,186.51	\$8,590.90	\$0.00	\$60,777.41
ATCO Utilities	\$0.00	\$204.15	\$0.00	\$204.15	\$0.00	\$204.15	\$0.00	\$204.15
<b>Sub-Total</b>	<b>\$229,375.95</b>	<b>\$10,260.13</b>	<b>\$0.00</b>	<b>\$239,636.08</b>	<b>\$165,821.73</b>	<b>\$10,260.13</b>	<b>\$0.00</b>	<b>\$176,081.86</b>
<b>ATCO Gas South</b>								
Bennett Jones LLP	\$567.00	\$0.96	\$0.00	\$567.96	\$324.00	\$0.96	\$0.00	\$324.96
ATCO I-Tek (IT Benchmarking)	\$118,485.67	\$1,464.12	\$0.00	\$119,949.79	\$113,311.22	\$1,464.12	\$0.00	\$114,775.34
ATCO I-Tek (CC&B Benchmarking)	\$110,323.28	\$8,590.90	\$0.00	\$118,914.18	\$52,186.51	\$8,590.90	\$0.00	\$60,777.41
ATCO Utilities	\$0.00	\$204.15	\$0.00	\$204.15	\$0.00	\$204.15	\$0.00	\$204.15
<b>Sub-Total</b>	<b>\$229,375.95</b>	<b>\$10,260.13</b>	<b>\$0.00</b>	<b>\$239,636.08</b>	<b>\$165,821.73</b>	<b>\$10,260.13</b>	<b>\$0.00</b>	<b>\$176,081.86</b>
<b>ATCO Pipelines North</b>								
Bennett Jones LLP	\$283.50	\$0.48	\$0.00	\$283.98	\$162.00	\$0.48	\$0.00	\$162.48
ATCO I-Tek (IT Benchmarking)	\$118,485.67	\$1,464.12	\$0.00	\$119,949.79	\$56,655.61	\$1,464.12	\$0.00	\$58,119.73
ATCO Utilities	\$0.00	\$102.07	\$0.00	\$102.07	\$0.00	\$102.07	\$0.00	\$102.07
<b>Sub-Total</b>	<b>\$118,769.17</b>	<b>\$1,566.67</b>	<b>\$0.00</b>	<b>\$120,335.84</b>	<b>\$56,817.61</b>	<b>\$1,566.67</b>	<b>\$0.00</b>	<b>\$58,384.28</b>
<b>ATCO Pipelines South</b>								
Bennett Jones LLP	\$283.50	\$0.48	\$0.00	\$283.98	\$162.00	\$0.48	\$0.00	\$162.48
ATCO I-Tek (IT Benchmarking)	\$118,485.67	\$1,464.12	\$0.00	\$119,949.79	\$56,655.61	\$1,464.12	\$0.00	\$58,119.73
ATCO Utilities	\$0.00	\$102.07	\$0.00	\$102.07	\$0.00	\$102.07	\$0.00	\$102.07
<b>Sub-Total</b>	<b>\$118,769.17</b>	<b>\$1,566.67</b>	<b>\$0.00</b>	<b>\$120,335.84</b>	<b>\$56,817.61</b>	<b>\$1,566.67</b>	<b>\$0.00</b>	<b>\$58,384.28</b>
<b>INTERVENERS</b>								
<b>City of Calgary</b>								
McLennan Ross LLP	\$16,500.00	\$341.48	\$0.00	\$16,841.48	\$9,900.00	\$341.48	\$0.00	\$10,241.48
Stephen Johnson Chartered Accountants	\$293,228.75	\$2,015.80	\$0.00	\$295,244.55	\$175,937.25	\$2,015.80	\$0.00	\$177,953.05
Stephens Consulting Ltd.	\$136,830.50	\$1,812.92	\$0.00	\$138,643.42	\$82,098.30	\$1,812.92	\$0.00	\$83,911.22
<b>Sub-Total</b>	<b>\$446,559.25</b>	<b>\$4,170.20</b>	<b>\$0.00</b>	<b>\$450,729.45</b>	<b>\$267,935.55</b>	<b>\$4,170.20</b>	<b>\$0.00</b>	<b>\$272,105.75</b>
<b>Alberta Urban Municipalities Association</b>								
RLB Regulatory Consulting (IT Benchmark)	\$617.50	\$8.75	\$37.58	\$663.83	\$494.00	\$8.75	\$37.58	\$540.33

ATCO Utilities  
 Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
 (1562012 and 1509540)

Costs Claimed and Awarded Benchmarking Phase

	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)
RLB Consulting (CC&B Benchmark)	\$617.50	\$8.75	\$37.57	\$663.82	\$494.00	\$8.75	\$37.57	\$540.32
<b>Sub-Total</b>	<b>\$1,235.00</b>	<b>\$17.50</b>	<b>\$75.15</b>	<b>\$1,327.65</b>	<b>\$988.00</b>	<b>\$17.50</b>	<b>\$75.15</b>	<b>\$1,080.65</b>
<b>Aboriginal Communities</b>								
Graves Engineering Corporation	\$12,625.00	\$0.00	\$0.00	\$12,625.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total</b>	<b>\$12,625.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$12,625.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL INTERVENER COSTS</b>	<b>\$460,419.25</b>	<b>\$4,187.70</b>	<b>\$75.15</b>	<b>\$464,682.10</b>	<b>\$268,923.55</b>	<b>\$4,187.70</b>	<b>\$75.15</b>	<b>\$273,186.40</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$1,439,050.09</b>	<b>\$34,624.36</b>	<b>\$75.15</b>	<b>\$1,473,749.60</b>	<b>\$1,045,845.68</b>	<b>\$34,624.36</b>	<b>\$75.15</b>	<b>\$1,080,545.19</b>

ATCO Utilities  
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Benchmarking and I-tek Placeholders True-up  
(1562012 and 1509540)

Costs Claimed and Awarded Application Phase

	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)
<b>APPLICANT</b>								
<b>ATCO Electric</b>								
Bennett Jones LLP	\$104,136.00	\$1,190.33	\$0.00	\$105,326.33	\$63,244.80	\$1,190.33	\$0.00	\$64,435.13
Compass Management Consulting Ltd.	\$33,345.00	\$1,185.24	\$0.00	\$34,530.24	\$27,787.50	\$1,185.24	\$0.00	\$28,972.74
ATCO Utilities	\$0.00	\$7,006.44	\$0.00	\$7,006.44	\$0.00	\$7,006.44	\$0.00	\$7,006.44
<b>Sub-Total</b>	<b>\$137,481.00</b>	<b>\$9,382.01</b>	<b>\$0.00</b>	<b>\$146,863.01</b>	<b>\$91,032.30</b>	<b>\$9,382.01</b>	<b>\$0.00</b>	<b>\$100,414.31</b>
<b>ATCO Gas North</b>								
Bennett Jones LLP	\$52,068.00	\$595.17	\$0.00	\$52,663.17	\$31,622.40	\$595.17	\$0.00	\$32,217.57
Compass Management Consulting Ltd.	\$16,672.50	\$592.62	\$0.00	\$17,265.12	\$13,893.75	\$592.62	\$0.00	\$14,486.37
ATCO Utilities	\$0.00	\$3,503.22	\$0.00	\$3,503.22	\$0.00	\$3,503.22	\$0.00	\$3,503.22
<b>Sub-Total</b>	<b>\$68,740.50</b>	<b>\$4,691.01</b>	<b>\$0.00</b>	<b>\$73,431.51</b>	<b>\$45,516.15</b>	<b>\$4,691.01</b>	<b>\$0.00</b>	<b>\$50,207.16</b>
<b>ATCO Gas South</b>								
Bennett Jones LLP	\$52,068.00	\$595.17	\$0.00	\$52,663.17	\$31,622.40	\$595.17	\$0.00	\$32,217.57
Compass Management Consulting Ltd.	\$16,672.50	\$592.62	\$0.00	\$17,265.12	\$13,893.75	\$592.62	\$0.00	\$14,486.37
ATCO Utilities	\$0.00	\$3,503.22	\$0.00	\$3,503.22	\$0.00	\$3,503.22	\$0.00	\$3,503.22
<b>Sub-Total</b>	<b>\$68,740.50</b>	<b>\$4,691.01</b>	<b>\$0.00</b>	<b>\$73,431.51</b>	<b>\$45,516.15</b>	<b>\$4,691.01</b>	<b>\$0.00</b>	<b>\$50,207.16</b>
<b>ATCO Pipelines North</b>								
Bennett Jones LLP	\$26,034.00	\$297.58	\$0.00	\$26,331.58	\$15,811.20	\$297.58	\$0.00	\$16,108.78
Compass Management Consulting Ltd.	\$8,336.25	\$296.31	\$0.00	\$8,632.56	\$6,946.87	\$296.31	\$0.00	\$7,243.18
ATCO Utilities	\$0.00	\$1,751.61	\$0.00	\$1,751.61	\$0.00	\$1,751.61	\$0.00	\$1,751.61
<b>Sub-Total</b>	<b>\$34,370.25</b>	<b>\$2,345.50</b>	<b>\$0.00</b>	<b>\$36,715.75</b>	<b>\$22,758.07</b>	<b>\$2,345.50</b>	<b>\$0.00</b>	<b>\$25,103.57</b>
<b>ATCO Pipelines South</b>								
Bennett Jones LLP	\$26,034.00	\$297.58	\$0.00	\$26,331.58	\$15,811.20	\$297.58	\$0.00	\$16,108.78
Compass Management Consulting Ltd.	\$8,336.25	\$296.31	\$0.00	\$8,632.56	\$6,946.87	\$296.31	\$0.00	\$7,243.18
ATCO Utilities	\$0.00	\$1,751.61	\$0.00	\$1,751.61	\$0.00	\$1,751.61	\$0.00	\$1,751.61
<b>Sub-Total</b>	<b>\$34,370.25</b>	<b>\$2,345.50</b>	<b>\$0.00</b>	<b>\$36,715.75</b>	<b>\$22,758.07</b>	<b>\$2,345.50</b>	<b>\$0.00</b>	<b>\$25,103.57</b>
<b>INTERVENERS</b>								
<b>City of Calgary</b>								
McLennan Ross LLP	\$151,900.00	\$10,024.27	\$0.00	\$161,924.27	\$136,710.00	\$10,024.27	\$0.00	\$146,734.27
Stephen Johnson Chartered Accountants	\$184,301.70	\$3,471.62	\$0.00	\$187,773.32	\$165,871.53	\$3,471.62	\$0.00	\$169,343.15
Stephens Consulting Ltd.	\$130,968.00	\$1,275.07	\$0.00	\$132,243.07	\$117,871.20	\$1,275.07	\$0.00	\$119,146.27
<b>Sub-Total</b>	<b>\$467,169.70</b>	<b>\$14,770.96</b>	<b>\$0.00</b>	<b>\$481,940.66</b>	<b>\$420,452.73</b>	<b>\$14,770.96</b>	<b>\$0.00</b>	<b>\$435,223.69</b>
<b>TOTAL INTERVENER COSTS</b>	<b>\$467,169.70</b>	<b>\$14,770.96</b>	<b>\$0.00</b>	<b>\$481,940.66</b>	<b>\$420,452.73</b>	<b>\$14,770.96</b>	<b>\$0.00</b>	<b>\$435,223.69</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$810,872.20</b>	<b>\$38,225.99</b>	<b>\$0.00</b>	<b>\$849,098.19</b>	<b>\$648,033.47</b>	<b>\$38,225.99</b>	<b>\$0.00</b>	<b>\$686,259.46</b>



ATCO Utilities  
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Benchmarking and I-tek Placeholders True-up  
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Overall Total Amount Awarded

	Total Amount Awarded Benchmarking Phase (a)	Total Amount Awarded Application Phase (b)	Overall Total Amount Awarded (c)
<b>APPLICANT</b>			
ATCO Electric	\$338,426.51	\$100,414.31	\$438,840.82
ATCO Gas North	\$176,081.86	\$50,207.16	\$226,289.02
ATCO Gas South	\$176,081.86	\$50,207.16	\$226,289.02
ATCO Pipelines North	\$58,384.28	\$25,103.57	\$83,487.85
ATCO Pipelines South	\$58,384.28	\$25,103.57	\$83,487.85
Sub-Total	\$807,358.79	\$251,035.77	\$1,058,394.56
<b>INTERVENERS</b>			
City of Calgary	\$272,105.75	\$435,223.69	\$707,329.44
Alberta Urban Municipalities Association	\$1,080.65	\$0.00	\$1,080.65
Aboriginal Communities	\$0.00	\$0.00	\$0.00
<b>TOTAL INTERVENER COSTS</b>	<b>\$273,186.40</b>	<b>\$435,223.69</b>	<b>\$708,410.09</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$1,080,545.19</b>	<b>\$686,259.46</b>	<b>\$1,766,804.65</b>

Appendix D

ATCO Utilities  
 Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
 (1562012 and 1509540)

Intervener Cost Awards for each ATCO Utility

	City of Calgary (a)	AUMA (b)	Total (c)
<b>APPLICANT</b>			
ATCO Electric	\$282,931.77	\$270.34	\$283,202.11
ATCO Gas North	\$141,465.89	\$315.10	\$141,780.99
ATCO Gas South	\$141,465.89	\$315.10	\$141,780.99
ATCO Pipelines North	\$70,732.94	\$90.06	\$70,823.00
ATCO Pipelines South	\$70,732.94	\$90.06	\$70,823.00
<b>Sub-Total</b>	<b>\$707,329.43</b>	<b>\$1,080.66</b>	<b>\$708,410.09</b>

Appendix E

ATCO Utilities  
Cost Application No. 1606047

Benchmarking and I-tek Placeholders True-up  
(1562012 and 1509540)

Total Amount - Hearing Cost Reserve Account

Utility (a)	Total Amount - Hearing Cost Reserve Account (b)
ATCO Electric	\$722,042.93
ATCO Gas North	\$368,070.01
ATCO Gas South	\$368,070.01
ATCO Pipelines North	\$154,310.85
ATCO Pipelines South	\$154,310.85