



AUC

Alberta Utilities Commission

ATCO Utilities

(ATCO Gas, ATCO Pipelines and ATCO Electric)

**2003-2007 Benchmarking and
ATCO I-Tek Placeholders True-Up
Compliance Filing to Decision 2010-102**

Cost Awards

ALBERTA UTILITIES COMMISSION

Decision 2010-587: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric)
2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up
Compliance Filing to Decision 2010-102
Application No. 1606022
Cost Application No. 1606310

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ALBERTA UTILITIES COMMISSION

Calgary, Alberta

**ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric)
2003-2007 Benchmarking and ATCO I-Tek
Placeholders True-Up Compliance Filing
To Decision 2010-102**

**Decision 2010-587
Application No. 1606022
Cost Application No. 1606310**

1 INTRODUCTION

1. The Alberta Utilities Commission (AUC or Commission) received a Compliance Filing application (Compliance Filing) on March 25, 2010 submitted by the ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric) pursuant to the Commission's direction set out in Decision 2010-102¹. The Compliance Filing requested that the Commission finalize amounts in respect of existing revenue requirement placeholders for Customer Care and Billing (CC&B), and Information Technology (IT) costs for each of the ATCO Utilities for the 2003-2007 test years.

2. The Commission received Statements of Intent to Participate (SIP) from the City of Calgary (Calgary) and the Office of the Utilities Consumer Advocate (UCA).

3. The Commission dealt with this Compliance Filing by way of a written proceeding. On June 14, 2010, the Commission issued Decision 2010-269² with respect to the Compliance Filing.

4. Cost claims in respect of the Compliance Filing were received by the Commission from the ATCO Utilities and Calgary on June 18, 2010. On June 25, 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 July 9, 2010. The Commission did not receive any comments.

5. On September 24, 2010, the Commission issued a letter to ATCO requesting additional information with respect to the costs claimed, and the allocation methodology of the amounts claimed by the ATCO Utilities. ATCO responded by letter dated October 7, 2010. Accordingly, the Commission considers the cost process to have closed on October 7, 2010.

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS

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

¹ Decision 2010-102: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.) 2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up (Application No. 1562012, Proceeding ID. 32) (Released: March 8, 2010).

² Decision 2010-269: ATCO Utilities (ATCO Gas, ATCO Pipelines and ATCO Electric Ltd.) 2003-2007 Benchmarking and ATCO I-Tek Placeholders True-Up Compliance Filing to Decision 2010-102 (Application No. 1606022, Proceeding ID. 564) (Released: June 14, 2010).

(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. Given that the Compliance Filing was filed pursuant to directions set out in Decision 2010-102 which was initiated by an application filed on February 21, 2008, the Commission has assessed the cost claims filed with respect to the Compliance Filing in accordance with Rule 022 as it existed on February 21, 2008.

7. 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.

8. 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.

9. 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

3.1 ATCO Utilities

10. ATCO Utilities submitted a cost claim totaling \$2,100.00. The claim is comprised of legal fees incurred by Bennett Jones LLP.

11. The Commission notes that the ATCO Utilities has claimed in excess of the *Scale of Costs* for Bennett Jones LLP. Loyola Keough claimed 6 hours at the hourly rate of \$350 (\$2,100.00). Based on Mr. Keough's experience, the applicable *Scale of Costs* allows for a maximum hourly rate of \$250, which for 6 hours results in a total of \$1,500.00.

12. The Statement of Justification submitted with the cost claim did not provide a sufficient basis, in the Commission's view, to justify a rate above the *Scale of Costs*. The Commission considers the claim for Bennett Jones LLP, reduced in accordance with the applicable *Scale of Costs*, to be reasonable, and approves the reduced amount.

13. Taking the foregoing into account, the Commission approves a total award of \$1,500.00 for the ATCO Utilities.

3.2 The City of Calgary

14. Calgary submitted a cost claim totaling \$6,285.47. The claim is comprised of legal fees incurred by McLennan Ross LLP in the amount of \$4,450.00, together with disbursements of \$85.47; and consulting fees incurred by Stephen Johnson Chartered Accountants in the amount of \$1,750.00.

15. The Commission has considered the costs submitted by Calgary. The Commission finds that the participation of Calgary was effective and of assistance in reviewing the Application. The Commission also notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. Accordingly, the Commission considers Calgary's claims for fees and disbursements in the total amount of \$6,285.47 to be reasonable.

3.3 Allocation of Allowed Costs

16. The Allocation of allowed costs for ATCO Utilities are to be allocated 40% to ATCO Electric, 40% to ATCO Gas and 20% to ATCO Pipelines, as requested by ATCO.

4 GST

17. 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 \$0.00.

18. 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:

1. ATCO Electric shall pay intervener costs in the amount of \$2,514.19, as set out in column (h) of [Appendix A](#).
2. ATCO Electric external costs in the amount of \$600.00, as set out in column (h) of [Appendix A](#), are approved.
3. ATCO Electric shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$3,114.19, as set out in column (h) of [Appendix A](#).
4. ATCO Gas North shall pay intervener costs in the amount of \$1,257.09, as set out in column (h) of [Appendix A](#).
5. ATCO Gas North external costs in the amount of \$300.00, as set out in column (h) of [Appendix A](#), 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 \$1,557.09, as set out in column (h) of [Appendix A](#).
7. ATCO Gas South shall pay intervener costs in the amount of \$1,257.09, as set out in column (h) of [Appendix A](#)
8. ATCO Gas South external costs in the amount of \$300.00, as set out in column (h) of [Appendix A](#), 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 \$1,557.09, as set out in column (h) of [Appendix A](#).
10. ATCO Pipelines North shall pay intervener costs in the amount of \$628.55, as set out in column (h) of [Appendix A](#)
11. ATCO Pipelines North external costs in the amount of \$150.00, as set out in column (h) of [Appendix A](#), 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 \$778.55, as set out in column (h) of [Appendix A](#)
13. ATCO Pipelines South shall pay intervener costs in the amount of \$628.55, as set out in column (h) of [Appendix A](#)
14. ATCO Pipelines South external costs in the amount of \$150.00, as set out in column (h) of [Appendix A](#), 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 \$778.55, as set out in column (h) of [Appendix A](#)

Dated on December 14, 2010.

ALBERTA UTILITIES COMMISSION

(Original signed by)

Willie Grieve
Chair

(Original signed by)

Bill Lyttle
Commissioner

(Original signed by)

Anne Michaud
Commissioner

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



Appendix A.xls

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ATCO Utilities
Cost Application No. 1606310

2003-2007 Placeholders True Up Compliance Filing as per Decision 2010-102
(1606022)

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 Electric | | | | | | | | |
| Bennett Jones | \$840.00 | \$0.00 | \$0.00 | \$840.00 | \$600.00 | \$0.00 | \$0.00 | \$600.00 |
| Sub-Total | \$840.00 | \$0.00 | \$0.00 | \$840.00 | \$600.00 | \$0.00 | \$0.00 | \$600.00 |
| Amount of Intervener Costs | | | | | | | | \$2,514.19 |
| Amount to be recorded in Hearing Cost Reserve Account | | | | | | | | \$3,114.19 |
| ATCO Gas North | | | | | | | | |
| Bennett Jones | \$420.00 | \$0.00 | \$0.00 | \$420.00 | \$300.00 | \$0.00 | \$0.00 | \$300.00 |
| Sub-Total | \$420.00 | \$0.00 | \$0.00 | \$420.00 | \$300.00 | \$0.00 | \$0.00 | \$300.00 |
| Amount of Intervener Costs | | | | | | | | \$1,257.09 |
| Amount to be recorded in Hearing Cost Reserve Account | | | | | | | | \$1,557.09 |
| ATCO Gas South | | | | | | | | |
| Bennett Jones | \$420.00 | \$0.00 | \$0.00 | \$420.00 | \$300.00 | \$0.00 | \$0.00 | \$300.00 |
| Sub-Total | \$420.00 | \$0.00 | \$0.00 | \$420.00 | \$300.00 | \$0.00 | \$0.00 | \$300.00 |
| Amount of Intervener Costs | | | | | | | | \$1,257.09 |
| Amount to be recorded in Hearing Cost Reserve Account | | | | | | | | \$1,557.09 |
| ATCO Pipelines North | | | | | | | | |
| Bennett Jones | \$210.00 | \$0.00 | \$0.00 | \$210.00 | \$150.00 | \$0.00 | \$0.00 | \$150.00 |
| Sub-Total | \$210.00 | \$0.00 | \$0.00 | \$210.00 | \$150.00 | \$0.00 | \$0.00 | \$150.00 |
| Amount of Intervener Costs | | | | | | | | \$628.55 |
| Amount to be recorded in Hearing Cost Reserve Account | | | | | | | | \$778.55 |
| ATCO Pipelines South | | | | | | | | |
| Bennett Jones | \$210.00 | \$0.00 | \$0.00 | \$210.00 | \$150.00 | \$0.00 | \$0.00 | \$150.00 |
| Sub-Total | \$210.00 | \$0.00 | \$0.00 | \$210.00 | \$150.00 | \$0.00 | \$0.00 | \$150.00 |
| Amount of Intervener Costs | | | | | | | | \$628.55 |
| Amount to be recorded in Hearing Cost Reserve Account | | | | | | | | \$778.55 |
| INTERVENERS | | | | | | | | |
| The City of Calgary | | | | | | | | |
| McLennan Ross LLP | \$4,450.00 | \$85.47 | \$0.00 | \$4,535.47 | \$4,450.00 | \$85.47 | \$0.00 | \$4,535.47 |
| Stephen Johnson Chartered Accountants | \$1,750.00 | \$0.00 | \$0.00 | \$1,750.00 | \$1,750.00 | \$0.00 | \$0.00 | \$1,750.00 |
| Sub-Total | \$6,200.00 | \$85.47 | \$0.00 | \$6,285.47 | \$6,200.00 | \$85.47 | \$0.00 | \$6,285.47 |
| TOTAL INTERVENER COSTS | \$6,200.00 | \$85.47 | \$0.00 | \$6,285.47 | \$6,200.00 | \$85.47 | \$0.00 | \$6,285.47 |
| TOTAL INTERVENER AND APPLICANT COSTS | \$8,300.00 | \$85.47 | \$0.00 | \$8,385.47 | \$7,700.00 | \$85.47 | \$0.00 | \$7,785.47 |