



## ATCO Gas

Application for Review and Variance of  
Decision 2006-004 and Decision 2006-083  
ATCO Gas 2005-2007 General Rate Application - Phase I

(November 27, 2007)

**ALBERTA ENERGY AND UTILITIES BOARD**

Decision 2007-092: Application for Review and Variance of Decision 2006-004 and Decision 2006-083 – ATCO Gas 2005-2007 General Rate Application - Phase I  
Application No. 1481898

November 27, 2007

Published by

Alberta Energy and Utilities Board  
640 – 5 Avenue SW  
Calgary, Alberta  
T2P 3G4

Telephone: (403) 297-8311  
Fax: (403) 297-7040

Web site: [www.eub.ca](http://www.eub.ca)

## Contents

<b>1</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>2</b>	<b>BACKGROUND .....</b>	<b>2</b>
<b>3</b>	<b>DISCUSSION .....</b>	<b>4</b>
	3.1 AUMA/EDM/UCA’s Position .....	5
	3.2 Calgary’s Position .....	6
	3.3 AG’s Position .....	7
	3.4 Views of the Board .....	9
<b>4</b>	<b>ORDER .....</b>	<b>19</b>
	<b>APPENDIX 1 – PROCEEDING PARTICIPANTS.....</b>	<b>21</b>
	<b>APPENDIX 2 – OCTOBER 6, 2006 R&amp;V APPLICATION - APPENDICES 3A, 3B, 3C ..</b>	<b>22</b>
	<b>APPENDIX 3 – AUGUST 14, 2007, BR-AG-4 ATTACHMENT REVISED APPENDICES</b> <b>3A, 3B, 3C .....</b>	<b>23</b>
	<b>APPENDIX 4 – DECISION 2006-083, APPENDIX A – ACCOUNT 721 ADJUSTMENTS</b> <b>.....</b>	<b>24</b>

## List of Tables

<b>Table 1.</b>	<b>ATCO Gas R&amp;V Requested Adjustments.....</b>	<b>4</b>
<b>Table 2.</b>	<b>AUMA/EDM/UCA Proposed Award - Alternative -10% Proposal.....</b>	<b>6</b>
<b>Table 3.</b>	<b>AG’s Compliance Filing versus Common Matters Application – Placeholders .</b>	<b>12</b>
<b>Table 4.</b>	<b>Account 721 Other Expenses Analysis – Board Determined .....</b>	<b>15</b>
<b>Table 5.</b>	<b>AG &amp; Interveners Values versus Board Award.....</b>	<b>17</b>
<b>Table 6.</b>	<b>Board Award Determined for AG North and AG South .....</b>	<b>17</b>
<b>Table 7.</b>	<b>Board Determination of AG North and AG South Rate Increase Percent .....</b>	<b>18</b>



# ALBERTA ENERGY AND UTILITIES BOARD

---

Calgary Alberta

**ATCO GAS  
APPLICATION FOR REVIEW AND VARIANCE OF  
DECISION 2006-004 AND DECISION 2006-083  
ATCO GAS 2005-2007 GENERAL RATE  
APPLICATION - PHASE I**

**Decision 2007-092  
Application No. 1481898**

---

## 1 INTRODUCTION

On October 6, 2006, the Alberta Energy and Utilities Board (the Board) received an application (the Application) from ATCO Gas, a division of ATCO Gas and Pipeline Ltd., (AG) for a review and variance (R&V) of certain findings made in Decision [2006-004](#),<sup>1</sup> and Decision [2006-083](#).<sup>2</sup>

The Board received comments from interested parties by letters dated October 23, 2006. AG provided a reply submission dated November 2, 2006.

On April 18, 2007 the Board issued its decision to grant AG's request for review. The Board issued Notice of the Application on April 27, 2007 and provided the schedule for a written process.

The division assigned to this review will refer to its findings and decisions as being made by "the Review Panel" to assist the reader in distinguishing between the Decisions made by the Board in previous Decisions under review. Any previous Decisions made by the Board including those that are the subject of this R&V proceeding will be referred to as being made by "the Board."

While the Review Panel has endeavoured to be clear in distinguishing its determinations from those of the Board, in the event of any typographical errors in this regard, the context shall be taken into account as to the Review Panel's intention as to whether it intended to state the Review Panel or the Board.

The original schedule was later altered by the Board's letter of May 30, 2007, subsequent to a request from the Alberta Urban Municipalities Association/City of Edmonton/Office of the Utilities Consumer Advocate (AUMA/EDM/UCA). Interventions were also received from The City of Calgary (Calgary), Consumers Coalition of Alberta (CCA) and Public Institutional Consumers of Alberta (PICA).

Final rely argument was submitted September 5, 2007 in accordance with the revised schedule. Accordingly, the Review Panel considers the record of this proceeding closed as of September 5, 2007.

---

<sup>1</sup> Decision 2006-004 – ATCO Gas 2005-2007 General Rate Application Phase I (Application 1400690) (Released January 27, 2006). See also Decision [2006-014](#) for Errata to this Decision

<sup>2</sup> Decision [2006-083](#) – ATCO Gas 2005-2007 General Rate Application Phase I Compliance Filing to Decision 2006-004 Part B (Application 1452948) (Released: August 11, 2006)

The division of the Board assigned (the Review Panel) to hear the Application was A. J. Berg, P.Eng. (Presiding Member), T. McGee (Member) and L. J. Bayda (Acting Member).

## 2 BACKGROUND

AG requested that the Board R&V Decisions 2006-004 and 2006-083 with respect to errors made in the Board’s determination of Administration Expense (Account 721) as per the following descriptions:

### (a) Impact of Including Costs related to Placeholder Amounts

AG submitted that the Board erred in not recognizing the impact of including costs related to placeholder amounts in the 2004 “reasonable starting point.” In accordance with the Board’s comment in Decision 2006-083 that the placeholders were not to be adjusted, ATCO Gas requested that Decisions 2006-004 and 2006-083 be reviewed and varied to remove the costs related to placeholders from the 2004 “reasonable starting point.”

AG considered that the correction required to be made to the revenue requirement for each test year, to take into account the placeholders when determining the “reasonable starting point,” was \$4,038,000, \$3,593,000 and \$3,322,000 for 2005, 2006 and 2007, respectively. These amounts were determined as shown in Appendix 3A of the Application and the north and south shares were shown in Appendices 3B and 3C, respectively.<sup>3</sup>

### (b) Incremental Increases from the 2004 “Reasonable Starting Point”

In AG’s view, the Board committed an error by failing to add the previously approved incremental cost increases associated with the Head Office Costs to the amount derived by the Board Formula for Administrative Expense.

AG requested the Board approve the inclusion of \$1,504,000, \$1,565,000 and \$1,632,000 for the test years 2005, 2006 and 2007, respectively. These amounts were derived as shown in Appendix 2 of the Application which also indicated the split between AG North and AG South.

In support of its position with respect to item (a) AG included a comparison of the approved forecast with that of 2005 actual expenditures.

In the 2005-2007 General Rate Application Phase I (GRA) AG had forecast Administrative Expenses (Account 721) to be \$41.242 million, \$41.789 million and \$42.746 million for 2005, 2006 and 2007, respectively.

To assist it in making its determinations in AG’s GRA, the Board in Decision 2006-004 concluded that a reasonable starting point was needed to test the reasonableness of the forecasts

---

<sup>3</sup> Refer to [Appendix 2](#) of this Decision for Appendices 3A, 3B and 3C, dated October 6, 2006.

for the test years. The Board ultimately agreed with AG that 2004 was a good starting point. The usual practice of using the historical values was significantly affected by the reorganization of both the marketplace and the ATCO gas utilities and therefore by necessity a single year was used.

The Board also noted that in 2004 AG was not performing a pure distribution function and therefore an adjustment was made for the five months that AG was performing the retail function in 2004. In Decision 2006-004 at page 73, the Board stated the following:

As stated above, the Board will make adjustments on an overall basis to Account 721. The Board will use the directions provided by Decision 2005-039, adjusted to a full year for 2004, as a starting point. This will establish a base for 2004 to which the inflation factor of 2.2% will be applied for 2005 and 2006 and 2.1% for 2007 to arrive at the approved amounts for the test years. The calculation for 2004 is as follows in millions of dollars:

$$36.293[2004 \text{ actual}] \text{ minus } 33.866[\text{approved for 2004 Decision 2005-039}] \text{ plus } 32.369[\text{Decision 2005-039 adjusted to a full year}] = 34.796$$

Starting with the calculated value for 2004 and applying the appropriate inflation, the value for 2005 becomes \$35.562 million, and \$36.344 million for 2006 and \$37.107 million for 2007.

These are the amounts approved by the Board for Administrative Expense, Account 721, subject to revision by the aforementioned placeholders. The total amount shall be revised by the difference between the placeholder and the final amounts approved in the other noted proceedings.<sup>4 5</sup>

In accordance with Board directions, the aforementioned revenue requirement amounts were altered per Decision 2006-083 to become \$34.797 million, \$35.683 million and \$36.677 million for 2005, 2006 and 2007, respectively. The amounts were further revised by Decisions 2006-100,<sup>6</sup> 2006-133<sup>7</sup> and 2007-036<sup>8</sup> to be finalized at \$35.225 million, \$36.256 million and \$37.195 million for 2005, 2006 and 2007, respectively.

Decision 2006-100 dealt with and finalized certain placeholders, namely utility executive compensation, corporate office executive compensation and head office rent, to arrive at the above final revenue requirements for the Administrative Expense.

In Decision 2006-133, the Board dealt with the aforementioned item (b), a correction to Head Office Costs and in Decision 2007-036 included a correction to a Board typographical error for the test year 2007. The issue with respect to an error by the Board, which resulted from the approved incremental cost increases associated with Head Office Costs not being added to the

---

<sup>4</sup> These calculations are referred to by AG as the “Board Formula.”

<sup>5</sup> Decision 2005-039 – ATCO Gas 2003/2004 GRA – Impact of the Retail Transfer and ITBS Volume Forecast (Application 1355457) (Released May 3, 2005)

<sup>6</sup> Decision 2006-100 – ATCO Utilities 2005-2007 Common Matters Application (Application 1407946) (Released October 11, 2006)

<sup>7</sup> Decision 2006-133 – ATCO Gas 2005-2007 General Rate Application – Phase I, Second Compliance Filing to Decision 2006-004 Part B (Application 1478363) (Released December 28, 2006)

<sup>8</sup> Decision 2007-036 – ATCO Gas 2005-2007 General Rate Application – Phase I Third Compliance Filing to Decision 2006-004 Part B (Application 1502769) (Released May 15, 2007)

amounts approved by the Board for Administrative Expense, was addressed in Decision 2006-133.

In summary, the Board directed AG to add back to each test year an amount that represented the increase in Head Office Costs as a result of changes to the percentage allocation. Specifically, the Board approved the amounts of \$764,000 for 2005, \$935,000 for 2006 and \$933,000 for 2007. These amounts were to be shared between AG South and AG North based on 2004 actual expenditures.

**Table 1. ATCO Gas R&V Requested Adjustments**

	Original AG R&V Requested Adjustment Including Head Office Adjustment	Less Head Office Requested Adjustment	Revised AG R&V Requested Adjustment For Account 721	Board Award for Head Office Decision 2006-133
(\$000)				
2005	5,542	1,504	4,038	764
2006	5,158	1,565	3,593	935
2007	4,954	1,632	3,322	933
Total	15,654	4,701	10,953	2,632

Subsequent to the Application, in Decision 2006-133, the Board made adjustments to the Head Office Costs as reflected by the above table. The Board did not grant all of AG’s Head Office Costs (\$4.701 million) and as a result, the Revised AG R&V Requested Adjustment (\$10.953 million) is lower than the Original AG R&V Requested Adjustment (\$15.654 million) by that amount. In Decision 2006-133 the Board awarded a total of \$2.632 million.

Nonetheless, as noted by AG in response to information request (IR) AUMA/EDM/UCA-AG-4, the issue in regards of Head Office Costs has been resolved and is no longer in dispute by AG.

In their argument,<sup>9</sup> AG submitted that the only issue that remained outstanding was “(a) Impact of Including Costs related to Placeholder Amounts” and this issue will be discussed in the following section.

The Revised AG R&V Requested Adjustment is \$10.953 million, as shown in the above table.

### **3 DISCUSSION**

This section will deal with the impact of including costs related to placeholder amounts when determining the 2004 “reasonable starting point” for which AG is seeking the Board’s approval to vary the approved test years’ Administrative Expense by an increase of \$4.038 million, \$3.593 million and \$3.322 million for 2005, 2006 and 2007, respectively for a total requested variance of \$10.953 million.

<sup>9</sup> AG’s Argument, dated August 21, 2007, p. 2



### 3.1 AUMA/EDM/UCA's Position

The AUMA/EDM/UCA submitted that there was no evidence that the Board ever intended to remove the placeholder amounts from the 2004 “reasonable starting point,” only the Board’s statement that it intended to make an adjustment to the total and to confirm the placeholders.<sup>10</sup> The AUMA/EDM/UCA took issue with AG’s statement that the Board’s failure to either update the placeholder amounts or remove those costs from the 2004 “reasonable starting point” produced an unjust and unreasonable result by causing a reduction of 25% to the remaining Account 721 Administrative costs.<sup>11</sup>

The AUMA/EDM/UCA argued that not only was this calculation irrelevant and misleading, it appeared to be the primary justification for AG’s request that Decisions 2006-004 and 2006-083 be reviewed and varied to remove the costs related to placeholders from the 2004 “reasonable starting point.”

The AUMA/EDM/UCA argued that it was not consistent with the Board’s directions in Decision 2006-083 that, in its Compliance Filing, AG had applied the Board Formula (2004 adjusted costs plus inflation) to each of the components of Account 721 Administrative Expenses. In that decision, the Board had indicated that it “only intended to make an adjustment to the total and to confirm the placeholder amounts as submitted in the Common Matters Proceeding” and “the ATCO I-Tek expense in Account 721, as filed, was only to be reduced by 7.5%.”<sup>12</sup> As a result, AG’s proposed treatment was inconsistent with the clear direction of the Board.

The AUMA/EDM/UCA also took exception to AG’s use of 2005 actual expenditures to support its Application and argued that the evidentiary portion of this proceeding has long since closed. They were surprised that AG was inappropriately attempting to introduce this evidence after the fact. The AUMA/EDM/UCA noted the comments in the Consumers Group’s (CG) letter to the Board of October 23, 2006, which noted that it would be inappropriate for the Board to consider new evidence in the form of a comparison between forecast and actual costs of one selected item from a three-year forecast test period. The AUMA/EDM/UCA argued that, even if the Board were to consider actual expenditures, it must look at all components of the forecast not just the one that may be seen to favour ATCO Gas.

The AUMA/EDM/UCA submitted “that the Board must ensure that there is finality to its decisions and reject ‘evidence’ that was obtained after the fact (May 2006), is selective in nature and not part of AG’s original application. To do so, ignores the applicants’ burden of proof and allows a ‘second kick at the can’ regarding a matter which has been addressed by the Board on several occasions.”

In reply argument, the AUMA/EDM/UCA took further exception to the introduction of 2006 actual expenditures in AG’s argument and prompted the Board to reject the use of the untested 2005 and 2006 actual expenses as support for the Application. The AUMA/EDM/UCA submitted that “the issue is not whether new evidence is available but, rather, the relevance of that new evidence to the matters at hand.” They considered the use of actual expenditures as proposed by AG was inappropriate and that the use of actual expenditures was only relevant in considering the accuracy of a forecast after-the-fact and in an unrelated proceeding.

---

<sup>10</sup> Decision 2006-083, pp. 9-10

<sup>11</sup> Application p. 4 and Appendix 1

<sup>12</sup> Decision 2006-083, pp. 9-10

The AUMA/EDM/UCA were not aware of any situation, where after the conclusion of a hearing, actual expenditures were accepted as new evidence to replace the forecast information relied on by the Board in reaching a decision.

The AUMA/EDM/UCA supported the Board’s original findings in Decisions 2006-004 and 2006-083. However, the AUMA/EDM/UCA proposed an alternative remedy should the Board decide that a 21% reduction in the remaining Account 721, Administrative Expenses, from forecast constitutes an unreasonable amount. The alternative would be to reduce the forecast remaining costs after removing the placeholder amounts by the 10% previously approved in Decisions [2003-108](#)<sup>13</sup> and 2005-039. Those amounts would be determined as follows:

**Table 2. AUMA/EDM/UCA Proposed Award - Alternative -10% Proposal**

		2005	2006	2007	Total
		(\$000)			
1	GRA Forecast <sup>14</sup>	41,242	41,789	42,746	125,777
2	Placeholder Amounts <sup>15</sup>	16,101	16,969	17,383	50,453
3	Remaining Account 721	25,141	24,820	25,363	75,324
4	10% Reduction (maximum)	2,514	2,482	2,536	7,532
5	Revised Revenue Requirement Forecast (line 1 - line 4)	38,728	39,307	40,210	118,245
6	Revenue Requirement Decision 2007-036	35,225	36,256	37,195	108,676
7	R&V Proposed Award (Board Calculated) (line 5 – line 6)	up to 3,503	up to 3,051	up to 3,015	up to 9,569

### 3.2 Calgary’s Position

Calgary also took exception to AG’s use of 2005 actual data. Calgary submitted that the Board should be critical and wary of admitting evidence of this nature in any review proceeding. Calgary supported the CG’s view (as provided in previous submissions) that the approach amounted to “cherry picking” within the broader realm of the components of the revenue requirement.

Calgary argued that:

Secondly, ATCO’s approach respectfully ignores the Board’s primary rate making jurisdiction under Section 36 of the *Gas Utilities Act* (“GUA”) to fix just and reasonable rates. If ATCO Gas wishes to have one component of its revenue requirement reviewed after the fact (using actual results and performance as evidence), Calgary submits that Section 36 of the GUA, and a level playing field for the Board and Interveners, requires a review of some (if not all) of the actual utility results for the relevant test years being reviewed, not just the (self-serving) component chosen by the utility to enhance its earnings. Obviously, and quite properly, it would be entirely reasonable for the Board and Interveners to begin any such expanded review with a retrospective inquiry into and testing of the utility’s forecast/awarded return versus actual return.

<sup>13</sup> Decision 2003-108 – ATCO Gas 2003 Gas Rate Unbundling (Application 1303682) (Released December 18, 2003) See Errata released at Decision [2004-004](#)

<sup>14</sup> Table 20, Decision 2006-004

<sup>15</sup> BR-AG-4 Attachment, Appendix 3A

It is not difficult to conclude that if these approaches were taken to their extreme, the notion and foundation of prospective rate making would be shattered. In Calgary's submission, the procedural and governance challenges for the Board to oversee and manage a virtual "true-up" rate making scheme would be substantial and highly problematic.<sup>16</sup>

Calgary argued that allowing AG's application would absolve it of accountability for the forecasts and the requirement to manage its affairs within the parameters set by the Board's decisions. Calgary submitted that AG had two choices: either revise its practices to bring its costs within the parameters approved, or maintain its practices and have its shareholders absorb the disallowed amounts. Calgary considered that the Board should not facilitate AG's R&V application to seek recovery of additional amounts for its shareholders at a time of the utilities choosing.

In reply argument, Calgary submitted that the Board had applied two measures to the issue of the 2004 "reasonable starting point" as being first, confirmation of the placeholders and second, making an adjustment to a total amount to reflect a "pure Disco" function. Calgary also believed the Board was aware of any "operating requirements" when reductions were made to the Administrative Expenses.

### **3.3 AG's Position**

AG considered that the Board erred by failing to recognize the impact of including costs related to placeholder amounts in the 2004 "reasonable starting point" as it related to the Administrative Expense. AG contended that if the Board did not intend to update the placeholder amounts through use of the Board Formula, then the 2004 costs related to placeholder amounts should have been removed from the 2004 "reasonable starting point." AG claimed that the Board's failure to either update or remove those costs from the 2004 "reasonable starting point" results in forecast costs that are unjust and unreasonable. In the Application AG submitted tables as Appendices 3A (AG Total), 3B (AG North) and 3C (AG South)<sup>17</sup> showing the derivation<sup>18</sup> of the requested adjustments to the test years. In its argument AG noted that in response to BR-AG-4 these appendices were updated to show the results of all decisions that have adjusted or impacted the 2005, 2006 and 2007 revenue requirements.<sup>19</sup> Since these adjustments were added to or deducted from the amount derived by the Board Formula and also added to or deducted from the amounts approved by the Board, the impact of removing the costs related to placeholders from the Board Formula remained unchanged and continued to produce an increase of \$4,038,000 in 2005; \$3,593,000 in 2006 and \$3,322,000 in 2007.

In response to the interveners' concerns as to whether or not AG had made sufficient reductions to administrative expenses following the retail transfer, AG claimed it had made all the reductions it had been able to achieve and that the incentive to minimize the Administrative Expense was always present. AG stated that the incentive must be balanced with the operating requirements.

---

<sup>16</sup> Calgary's Argument, dated August 21, 2007, p. 2

<sup>17</sup> Refer to Appendix 2 of this Decision for Appendices 3A, 3B and 3C, dated October 6, 2006.

<sup>18</sup> In the derivation, an amount for 2004 related to the placeholders was removed before adjusting for a full year of distribution function and inflation, and then the forecast placeholder amounts for 2005, 2006 and 2007 were added back in to arrive at new total for Account 721.

<sup>19</sup> Refer to Appendix 3 of this Decision for Revised Appendices 3A, 3B and 3C, dated August 14, 2007.

AG noted that in Decision 2006-083, the Board advised that reductions were not to be made to placeholder amounts when applying the Board Formula to Administrative Expenses. AG submitted “that the consequences of this ruling, likely unintended consequences, is a reduction to the remaining costs that is unjust and unreasonable.” AG requested that Decisions 2006-004 and 2006-083 be reviewed and varied to remove the costs related to placeholders from the 2004 “reasonable starting point” in the application of the Board Formula.

In reply argument AG disagreed with the AUMA/EDM/UCA’s claim that AG’s Compliance Filing was inconsistent with the direction of the Board in Decision 2006-004, which stated:

AG is directed to adjust the revenue requirement, including Carbon, using the approved totals and to clearly identify placeholder amounts in each sub-category when submitting its Compliance filing.<sup>20</sup>

AG noted it had clearly identified the placeholder amounts in each subcategory. AG argued that the comments of the Board in Decision 2006-083, quoted by AUMA/EDM/UCA in their argument, was a clarification of what the Board intended with its original direction from Decision 2006-004. AG stated that the consequences of this clarification was a disconnect between what the Board stated they wanted done in Decision 2006-004, when they made a reduction of 10% for the 5 months that AG was performing the retail function in 2004, compared to the reduction that was made to the forecast amounts from the application of the Board Formula if the amounts related to placeholders were not updated. AG submitted that it was this disconnect that convinced AG that the Decision was in error and what prompted AG to file its request for an R&V of Decisions 2006-004 and 2006-083.

In reply, AG argued that the AUMA/EDM/UCA’s contention was incorrect that the Board did not intend to update the placeholder amounts through the Board Formula and that there was no evidence that the Board ever intended to remove the placeholder amounts from the 2004 “reasonable starting point,” only the Board’s statement that it intended to make an adjustment to the total and to confirm the placeholders. AG believed the Board did not appreciate the impact of adjusting the bottom line total for Account 721 without adjusting the placeholder amounts at the same time. AG believed it was an oversight on the part of the Board; that oversight resulted in an error, which AG submitted warranted a correction through variance of Decisions 2006-004 and 2006-083.

AG, in reply, also disagreed that the calculations that showed a 25% reduction were “irrelevant and misleading.”<sup>21</sup> AG argued that by leaving the placeholder amounts as part of the Board Formula, any increases in placeholder costs (above the Board prescribed inflation allowances) approved in separate processes would be eliminated by the application of the Board Formula. Those additional placeholder related costs that were to be approved in other processes, such as Common Matters and I-Tek benchmarking, would become disallowances in the remaining Account 721 expenses, through the application of the Board Formula.

In response to intervener argument regarding the use of 2005 actual expenditures AG noted it had addressed the standard for review and variance and had provided the following in the Application:

---

<sup>20</sup> Decision 2006-004, p. 73

<sup>21</sup> AUMA/EDM/UCA Argument, p. 2, line 28

The standard for review and variance for Board decisions is set in Rule 46 of the Rules of Practice. That provision provides that the Board shall determine, as a preliminary question, whether the “order, decision or direction made by it should be reviewed.” When determining the preliminary question, Rule 46(5.1)(a)(i) and (ii) provides that the Board shall grant an application for review if the Board determines that:

(i) in the case where the applicant has alleged an error of law or jurisdiction or an error of fact, the applicant has, in the Board’s opinion, raised a substantial doubt as to the correctness of the Board’s order, decision or direction, or

(ii) in the case where the applicant has alleged new facts, a change in circumstances or facts not previously placed in evidence, the applicant has, in the Board’s opinion, raised a reasonable possibility that new facts, a change in circumstances or facts not previously placed in evidence, as the case may be, could lead the Board to materially vary or rescind the Board’s order, decision or direction.<sup>22</sup>

AG argued that its use of 2005 actual expenditures was only for the purpose of providing further support for its position that the application of the Board Formula yielded an unreasonable result. AG argued that it had made use of new facts under the provisions of the Board’s Rule 46(5.1)(a), which explicitly contemplated reliance on new facts and facts not previously placed in evidence, in support of an application for review and variance. The use of the 2005 actual expenditures was not to support the forecast(s) as suggested by the interveners.

AG also took exception to the AUMA/EDM/UCA’s recommendation of an alternative solution. AG stated that, in its view, the suggestion by AUMA/EDM/UCA that the forecasts of AG, which already reflected the full reductions that could be achieved from exiting the retail function, be reduced by a further 10% was without merit and represented a one-sided position by the interveners.

### **3.4 Views of the Board**

The Review Panel notes that part of the Application was addressed to AG’s satisfaction in Decision 2006-083 and subsequent decisions. As a result, the Review Panel needs only to address the appropriateness of Administrative Expense Account 721 as it relates to the amounts for the Placeholders and the remainder of the expenses (Other Expenses) included within Account 721.

AG has made an application to R&V both Decision 2006-004 and 2006-083. The Review Panel will address the circumstances in Decision 2006-004 and 2006-083 in consecutive order individually and then the Review Panel will determine its overall conclusions.

In Decision 2006-004, the Board stated:

...the Board considers it appropriate to deal with the Administrative Expense, Account 721, on an overall basis, as it has done in the past, and will provide direction on how to factor in the placeholders.<sup>23</sup>

---

<sup>22</sup> Application, p. 2

<sup>23</sup> Decision 2006-004, p. 72

The Board then went on to specify the items that would be treated as Placeholders for the purpose of Decision 2006-004 as follows:

The Board notes that the components of Labour, AG Corporate Services, and Office Rent include items that will be discussed in the Common Matters proceeding, such as Executive Compensation and Head Office Rent. AG I-Tek and ITBS amounts will also be determined in a future benchmarking proceeding. These will be treated as placeholders for the purposes of this Decision.<sup>24</sup>

The Board in Decision 2006-004 included costs related to placeholder amounts in the 2004 “reasonable starting point” when arriving at its conclusions in Decision 2006-004. When making its decision, the Board clearly had in mind that the expenditures for the entire Account 721 should be increasing at a rate no greater than inflation. This is clearly evident by how the Board determined the bottom line amounts for Account 721. The Board used only inflation factors applied to the test years starting with the 2004 “reasonable starting point.”

The Board determined that the evidence provided by AG in the GRA with respect to Account 721 did not provide the details that indicated what portion of Account 721 was attributable to placeholders or the rate of increase of the Placeholders.

The Board, in Decision 2006-004, stated that it would make adjustments on an overall basis to Account 721, with the total amount being revised by the difference between the Placeholders and the final amounts approved in the other noted proceedings as follows:

Therefore, the Board approves the allocation percentages proposed by AG subject to further adjustments resulting from the resolution of the amounts associated with the cost items to be resolved in the Common Issues proceeding.

As stated above, the Board will make adjustments on an overall basis to Account 721. The Board will use the directions provided by Decision 2005-039, adjusted to a full year for 2004, as a starting point. This will establish a base for 2004 to which the inflation factor of 2.2% will be applied for 2005 and 2006 and 2.1% for 2007 to arrive at the approved amounts for the test years. The calculation for 2004 is as follows in millions of dollars:

36.293[2004 actual] minus 33.866[approved for 2004 Decision 2005-039] plus  
32.369[Decision 2005-039 adjusted to a full year] = 34.796

Starting with the calculated value for 2004 and applying the appropriate inflation, the value for 2005 becomes \$35.562 million, and \$36.344 million for 2006 and \$37.107 million for 2007. These are the amounts approved by the Board for Administrative Expense, Account 721, subject to revision by the aforementioned placeholders. The total amount shall be revised by the difference between the placeholder and the final amounts approved in the other noted proceedings.

AG is directed to adjust the revenue requirement, including Carbon, using the approved totals and to clearly identify placeholder amounts in each sub-category when submitting its Compliance filing.<sup>25</sup>

---

<sup>24</sup> Ibid

<sup>25</sup> Decision 2006-004, p. 73

At the time that the Board arrived at its conclusions for Decision 2006-004, the Review Panel considers that the Board could not have realized the full extent of its decision since AG's Application did not provide the necessary split between Placeholders and the Other Expenses in Account 721. The Review Panel considers that AG, in its application, has the onus to justify and support its application by providing the necessary information in sufficient detail to allow the Board to reach a fair conclusion.

The Review Panel finds that the Board did not err in the determination of its findings in Decision 2006-004. The Review Panel considers that the Board's decision was reasonable given the evidence at that date and the Review Panel finds that the Board gave appropriate direction to AG on Account 721 for further information to be filed in the compliance filing.

Accordingly, the Review Panel denies AG's R&V with respect to Decision 2006-004.

The Review Panel will now address AG's R&V with respect to Decision 2006-083.

The Review Panel has reviewed the compliance filing by AG. The Review Panel notes that AG stated the following in its covering letter:

ATCO Gas has also provided a summary of the updated placeholder amounts for ATCO Gas in total and for north and south in the section titled Placeholders Summary.<sup>26</sup>

The Review Panel notes that AG, in its covering letter, did not alert the Board of its concerns that subsequently became the subject of its R&V application and which are the concerns of this proceeding.

Contrary to the Review Panel's expectations, the referenced Placeholders Summary did not provide the expected breakdown as directed by the Board on page 73 of Decision 2006-004 (also referred to as Direction 40). The Review Panel expected that AG would have provided the Placeholders amounts for Account 721 as directed, in a clearly identifiable manner. The Review Panel finds that only three of the required items for determining the placeholder amounts for Account 721 (Executive Compensation, Rent Expense, ATCO I-Tek) were included in the compliance filing. The Board had to determine the Corporate Executive Compensation number from a separate application (Common Matters). This information did not become available until May 16, 2006.

The Review Panel also reviewed AG's elaboration on its response to the above referenced Board Direction 40. AG's response provides considerable elaboration on incremental cost increases that the Board specifically approved, in AG's view, elsewhere in Decision 2006-004. Again, the Review Panel did not see any specific mention by AG of the problems that are the subject of this Decision. The Review Panel finds that AG did not specifically mention that it was using different values for the Placeholders in its Compliance Filing than it was using for the Common Matters application.

The Review Panel finds that, in the absence of clear information, it was left to the Board to reconcile these amounts as best it could. The Review Panel finds that it was not unreasonable for

---

<sup>26</sup> ATCO Gas covering letter of March 17, 2006 for the Compliance Filing per Decision 2006-004

the Board to have substituted the values of the Placeholders as they were submitted by ATCO in the Common Matters application.

The Review Panel did not find any discussion by AG in the Compliance Filing as to the reasons it was using different Placeholder amounts in its Compliance Filing than it was using in its Common Matters application. The Review Panel did not find any discussion by AG as to the impact on Other Expenses nor did the Review Panel find a clear discussion regarding the 2004 actual expenditure values for the Other Expenses or a clear discussion of the 2004 actual expenditure values for Account 721.

Accordingly, the Review Panel finds that AG failed to identify and detail the impact of the Board’s Decision 2006-004 on the revenue requirement for Account 721 in its Compliance Filing.

In the Review Panel’s opinion, if the Board had not replaced AG’s Placeholders in the Compliance Filing with the placeholder values in the Common Matters Application, AG would have achieved a significant increase in the Account 721 component of revenue requirement over what was approved in Decision 2006-004 without alerting the Board or interveners to this situation. The Review Panel considers that there is an adverse inference created from these facts.

Nonetheless, the Review Panel will now address the issue of new information that was filed in AG’s R&V application. AG submitted what it stated were the 2004 actual amounts for the Placeholder items and the Other Expenses for Account 721. AG then inflated each of these two separate categories to arrive at placeholder values for purposes of the compliance filing.

As shown in the table below, AG’s compliance filing values for the placeholder items are substantially different from the amounts that AG filed in the Common Matters application.

**Table 3. AG’s Compliance Filing versus Common Matters Application – Placeholders**

	2006-083 Compliance Filing <sup>27</sup>	Common Matters Application (\$000)	Difference
2005	14,146	17,337	3,191
2006	14,469	17,305	2,836
2007	14,780	17,567	2,787
Total	43,395	52,209	8,814

Note: the above amounts include the I-Tek Placeholders which are the subject of a separate benchmarking process.

The Board identified this major discrepancy between the placeholder amounts through its own analysis of data submitted in the Compliance Filing and in the Common Matters application. In Decision 2006-083, the Board provided further clarity of its intentions with respect to placeholder items by stating in Decision 2006-083 as follows:

The Board only intended to make an adjustment to the total and to confirm the placeholder amounts as submitted in the Common Matters Proceeding. Also the I-Tek

<sup>27</sup> These values were not actually filed clearly and concisely by AG in its Compliance Filing. The Board developed these values from information filed within the compliance filing on March 17, 2006 and from the Common Matters material on May 16, 2006.



expense in Account 721, as filed, was only to be reduced by 7.5%. Other than identifying the placeholder and benchmarking amounts for the record, the Board did not intend AG to make any additional adjustments. As for the remainder of the sub accounts, it was left up to AG to determine how to distribute the overall adjustment made by the Board in Decision 2006-004.<sup>28</sup>

Consequently, the Board adjusted the Placeholder amounts to agree with the amounts that ATCO had filed in its Common Matters application.

The Review Panel finds that the Board did not act unreasonably in making its determinations in Decision 2006-083, given that AG did not respond appropriately to Board Direction 40 and AG did not identify the impact on Account 721 in its Compliance Filing.

However, upon reviewing the new evidence available to the Review Panel in the R&V Application, the Review Panel considers that there may be some merit to AG's R&V submissions.

The Review Panel considers that the Board could have engaged in further process to resolve the apparent discrepancy between AG's Placeholder values in the Compliance Filing compared to the Placeholder values in the Common Matters Application. Nonetheless, the Review Panel finds that AG failed to discharge the burden of responsibility to justify its revenue requirements for Account 721 in an adequate manner in both the original Application and in its subsequent Compliance Filing.

The Review Panel will now review AG's requested revenue requirement adjustment and re-examine Decision 2006-083.

The following Table 4 explains the Review Panel's analysis of Account 721 as it relates to Decision 2006-004 (the Original Decision) and Decision 2006-083 (the Compliance Decision) as follows:

- Line 1: From Decision 2006-004 (the Original Decision), the Board determined the total revenue requirement for Account 721, including both placeholder and non-placeholder items.
- Line 2: AG submitted a revised revenue requirement in its compliance filing, labeled in its Board Direction 40 Attachment. The Board notes that AG titled these amounts as "Approved Administrative (Account 721) Costs" even though the values are different from the amounts approved in Decision 2006-004, shown on Line 1. The Review Panel considers that AG did not appropriately label the amounts in its Compliance Filing.
- Line 3: AG submitted placeholders as part of its compliance filing. The Review Panel considers that AG did not adequately comply with Board Direction 40.
- Line 4: AG's net effective Other Expenses. Not specifically submitted but determined by difference as part of the Review Panel's analysis.
- Line 5: In its Compliance Filing Decision 2006-083, the Board determined a revised revenue requirement for Account 721.

---

<sup>28</sup> Decision 2006-083, pp. 9-10

- Line 6: As part of its determination in the Compliance Filing Decision 2006-083, the Board did not accept AG's submitted placeholder values. Instead, the Board directed AG to use the placeholder amounts in the ATCO Common Matters Application Filing.
- Line 7: As part of its analysis, the Review Panel determined the effective amount remaining for Other Expenses as a result of the Board's Decision 2006-083. These values were not determined by the Board at the time of its Decision 2006-083.
- Line 8: In its R&V Application, AG submitted that the actual 2004 Other Expenses were \$21.035 million (after adjusting to a full year of non-retail) as shown on this line. This information was not provided in AG's Compliance Filing.
- Line 9: The Review Panel utilized the 2004 actual expenditure value submitted by AG in its R&V Application and inflated that value by the same percentages in Decision 2006-004 (i.e. 2.2%, 2.2%, 2.1% respectively) to determine the 2005, 2006, and 2007 Potential Future Other Expenses.
- Line 10 shows the Account 721 Adjustments (per 2006-083, Appendix A).
- Line 11 shows the sum of those adjustments. The Review Panel notes that AG did not make these necessary adjustments in arriving at its total claim in its R&V request.
- Line 12 shows the Review Panel's determined Revised Potential Future Other Expenses (Line 9 - Line 11).
- Line 13 shows the Potential Allowed Increase to Other Expenses (Review Panel) (Line 12 – Line 7) for each of the 3 years which totals \$9.097 million.
- Line 14 shows AG's Claim Increase (Line 9 – Line 7) which did not include the necessary Line 11, Total Account 721 Adjustments (per 2006-083, Appendix A).
- Line 15 shows the AG's Excess Claim Amounts (Line 14 – Line 13) which total \$1.856 million which is the difference between AG's claim of \$10.953 million vs. the Review Panel determined \$9.097 million potentially available for adjustment if the Review Panel were to grant 100% of the adjustment to AG.

Subsequent to Decision 2006-083, additional adjustments to various items, including Placeholders, in Account 721 resulted in final amounts for Placeholders. As of Decision 2007-036 the only outstanding Placeholder was for I-Tek for the test years 2005, 2006 and 2007 in the amounts of (in millions) \$12.950, \$12.839 and \$13.176, respectively.

**Table 4. Account 721 Other Expenses Analysis – Board Determined**

	Item	2004	2005	2006	2007	Total
		(\$ Million)				
1	Board Determined Account 721 Revenue Requirement Per 2006-004		35.562	36.344	37.107	109.013
2	AG's compliance filing after Decision 2006-004 Revenue Requirement <sup>29</sup>		36.974	37.914	38.756	
3	AG's compliance filing after Decision 2006-004 Placeholders <sup>30</sup>		14.146	14.469	14.780	
4	AG compliance filing Decision 2006-004 Other Expenses		22.828	23.445	23.976	
5	Board Revised Revenue Requirement Per 2006-083 (adjusted per Line 10)		34.797	35.683	36.677	107.157
6	Board Placeholders per 2006-083 (From Common Matters Application)		17.337	17.305	17.567	
7	Effective Amount remaining for Other Expenses Per 2006-083 (by subtraction: Line 5 - 6)		17.460	18.378	19.110	54.948
8	Actual Other Expenses (per AG R&V Application)	21.035				
9	Potential Future Other Expenses (Line 8 inflated per 2006-004)		21.498	21.971	22.432	65.901
10	Account 721 Adjustments (per 2006-083, Appendix A) • Line 7: Total Labor and O&M Adjustments • Line 10: Total Supplies and Adjustments		0.264	0.359	0.603	
11	Total Account 721 Adjustments (per 2006-083, Appendix A)		-0.765	-0.661	-0.430	-1.856
12	Revised Potential Future Other Expenses (Line 9 - Line 11)		20.733	21.310	22.002	64.045
13	Potential Allowed Increase To Other Expenses (Review Panel) (Line 12 – Line 7)		3.273	2.932	2.892	9.097
14	AG's Claim Increase (Line 9 – Line 7)		4.038	3.593	3.322	10.953
15	AG's Excess Claim Amounts (Line 14 – Line 13)		0.765	0.661	0.430	1.856

Now that the Review Panel has determined that the maximum appropriate value for the Account 721 revenue adjustment is \$9.097 million for 2005-2007, the Board will assess the amount, if any, of the Revised Potential Other Expenses that should be awarded given the circumstances of this issue.

As stated earlier, the Review Panel is concerned with the incomplete nature of AG's original application for Account 721 that resulted in Decision 2006-004 and the incomplete nature of AG's Compliance Filing that resulted in Decision 2006-083. The Review Panel finds that AG failed to provide complete submissions with respect to the value of the items for which it was requesting placeholder treatment.

<sup>29</sup> AG's Compliance Filing, Board Direction 40 Attachment, Titled as "Approved Administrative (Account 721) Costs"

<sup>30</sup> Extracted from AG's Compliance Filing, p. 7, May 17, 2006 for Executive Compensation, Rent Expense, ATCO I-Tek and extracted from Common Matters material on May 16, 2006 for Corporate Executive Compensation.

The Review Panel considers that interveners and the Board should not be placed in a situation whereby AG can argue, after-the-fact, on a selective basis if it is beneficial to AG, that the value of its placeholders was something different than interveners and the Board might have expected when it addressed AG's revenue requirement. The Review Panel finds it fundamental that placeholder values be clearly identified in a utility application so there can be no dispute as to the impact on the total revenue requirement when it comes to settlement of those placeholder values.

Consequently, the Review Panel finds that this issue and the current R&V proceeding could have been avoided if AG had provided better information in its original application and in its compliance filing with respect to Account 721, and the Placeholder amounts and if AG had clearly identified the related issues in its Compliance Filing. Had this been done, the Board and interveners would have had the opportunity to test the inconsistency between the placeholder amounts proposed by AG in its compliance filing compared to the same placeholder values in ATCO's Common Matters application. The placeholder amounts in the Common Matters application are a significant increase from what AG identified as the 2004 actual expenditures for the same items.

In making its determinations, the Review Panel is cognizant of the fact that it is reviewing only one account out of many. The Review Panel agrees with both Calgary and the AUMA/EDM/UCA that if it were to consider the 2005 actual expenditures submitted by AG it might then be appropriate to consider all components of the forecast.

However, the Review Panel did not find it necessary to consider the 2005 actual expenditures in arriving at its determination and therefore that Review Panel finds that the submission of 2005 actual expenditures is not an issue in this proceeding.

The Review Panel notes that Calgary did not support AG's requested adjustment. Also, the Review Panel has considered the proposal of AUMA/EDM/UCA with respect to an adjustment if the Review Panel were to find it appropriate to make an adjustment.

The Review Panel considered denying AG's R&V for Decision 2006-004 and 2006-083 in its entirety because of AG's failure to provide a complete application for Account 721 and a complete compliance filing, and for its failure to properly explain and have tested the aforementioned discrepancy in placeholder values at the appropriate place in the proceeding.

Notwithstanding the preceding consideration, the Review Panel has determined that based on the new information an adjustment is appropriate. However, since the Review Panel has found that AG did not adequately discharge its burden of responsibility in its application and in its compliance filing, the Review Panel finds that AG can only receive a portion of the total for the three years of \$9.097 million as the Review Panel's Potential Allowed Increase (Line 13 in Table 4 above). The Review Panel finds that the maximum portion that would be reasonable to award to AG of the \$9.097 million would be 50% or \$4.5485 million.

Accordingly, the Review Panel has determined that AG should bear 50% responsibility for the difference shown in Table 4 and will apply this reduction to the amount available for adjustment.

Accordingly, the Review Panel will grant AG’s R&V in part as shown by the table below:

**Table 5. AG & Interveners Values versus Board Award**

	ATCO Gas Revised R&V Request	AUMA/EDM/UCA Proposal	Calgary (\$000)	Review Panel Potential R&V Amount	Review Panel Award (50% of Potential)
2005	4,038	between 0 and 3,503	0	3,273	1,636.5
2006	3,593	between 0 and 3,051	0	2,932	1,466.0
2007	3,322	between 0 and 3,015	0	2,892	1,446.0
Total	10,953	between 0 and 9,569	0	9,097	4,548.5

The Review Panel finds that the total Revenue Requirement for each test year for Account 721 is to be adjusted to the amounts of \$36.8615 million, \$37.722 million and \$38.641 million for 2005, 2006 and 2007, respectively. The Board Award shown in Table 5 is to be allocated to AG South and AG North in the same ratio as provided by the Appendices attached to this Decision as [Appendix 3](#) (refer to Table 6 for the AG North and AG South amounts determined by the Review Panel for each test year).

**Table 6. Board Award Determined for AG North and AG South**

	2005	2006	2007	TOTAL
	(\$000)			
AG North	876.2	796.0	796.6	2,468.8
AG South	760.3	670.0	649.4	2,079.7
TOTAL	1,636.5	1,466.0	1,446.0	4,548.5

The Review Panel considers that, in accordance with the directions in Decision 2007-036 for AG South and Decision [2007-063](#)<sup>31</sup> for the North, the amounts determined in Table 6 could have been collected in billings commencing on June 1, 2007 for AG South and on September 1, 2007 for AG North and that the collection would have been completed by December 31, 2007. Therefore, the Review Panel has determined that interest on the amounts outstanding is also collectible.

Since the amounts outstanding for AG North would have been collected for a period from September 1 to December 31, 2007 the Review Panel has determined that the entire amount was outstanding for a period of approximately one half of the collection period, or 61 days in 2007. Therefore, the Review Panel considers that interest is payable on the amounts outstanding for AG North for the average period of 61 days.

Likewise, the amounts outstanding for AG South would have been collected for a period from June 1 to December 31, 2007. The Review Panel has determined that the entire amount was outstanding for a period of approximately one half of the collection period, or 107 days in 2007. Therefore, the Review Panel considers that interest is payable on the amounts outstanding for AG South for the average period of 107 days.

<sup>31</sup> Decision 2007-063 – ATCO Gas 2005-2007 General Rate Application Phase II, Second Compliance Filing to Decision 2007-026 (Application 1513143) (Released August 14, 2007)

To collect the amount outstanding, both the award and the interest, the Review Panel directs AG to implement a rider to the fixed charge for each customer commencing on billings for a six-month period commencing no sooner than January 1, 2008. The implementation is to be coordinated and coincident with interim rates being dealt with in Application No. 1544977, ATCO Gas 2008 Interim Rates (relative to AG’s 2008-2009 GRA). The six-month period represents an average outstanding duration of 91 days in 2008. The Rider shall be a percent increase to the fixed charge for each rate class in the amounts as calculated in Table 7 below.

The Review Panel directs AG to file a reconciliation of the amount collected via the riders approved in Table 7 and the amounts shown in Table 7 and to place the difference into a deferred revenue account to be dealt with in a subsequent rate adjustment application or as an offset to adjustments to the total revenue requirements. The deferred account can also be used to capture any changes to the interest amount in the event the implementation of the Riders is delayed beyond January 1, 2008.

The Review Panel considers that the appropriate rate for interest to be applied for the outstanding period shall be determined by the application of the calculation for interest established in [IL 2000-1](#).<sup>32</sup> The Review Panel has obtained interest data from the Bank of Canada website to determine that the average rate for the monthly series for the period for September and October 2007 was 4.75%. This percent added to the 1.5% interest premium awarded in IL 2000-1 results in an interest rate applicable to the principal in the amount of 6.25%.

**Table 7. Board Determination of AG North and AG South Rate Increase Percent**

	AG North	AG South	Total
Period Outstanding Days	152	198	-
Interest Rate	6.25%	6.25%	6.25%
Interest on Amount Outstanding (\$000)	64.1	70.3	134.4
Total Amount Outstanding (\$000)	2,532.9	2,150.0	4,682.9
Board Estimate of Fixed Revenue 2008 June 1 - Dec 31 (\$000) <sup>33</sup>	54,000	50,000	-
Rider Percent	4.7%	4.3%	4.5%

It will now be appropriate for the parties to submit costs with the supporting documentation for review by the Board. The Review Panel directs AG to submit its comments on what portion of the costs of this R&V should be charged to the hearing cost reserve and what portion of the costs should be borne by AG’s shareholders given the Review Panel’s views as expressed in this Decision.

<sup>32</sup> Informational Letter IL 2000-1 – General Policy for Payment of Interest, February 16, 2000

<sup>33</sup> Decision [2007-059](#) – ATCO Gas 2005-2007 General Rate Application Phase II Compliance Filing to Decision 2007-026 (Application 1513143) (Released July 31, 2007) Appendix 1 at approximately 50% of Fixed Revenue forecast for 2007

#### **4 ORDER**

IT IS HEREBY ORDERED THAT:

- (1) ATCO Gas North increase the Revenue Requirement for the test years 2005, 2006 and 2007 by the amounts \$876,200, \$796,000 and \$796,600, respectively.
- (2) ATCO Gas South increase the Revenue Requirement for the test years 2005, 2006 and 2007 by the amounts \$760,300, \$670,000 and \$649,400, respectively.
- (3) ATCO Gas is to comply with all directions of this Decision.

Dated in Calgary, Alberta on November 27, 2007.

#### **ALBERTA ENERGY AND UTILITIES BOARD**

*(original signed by)*

A. J. Berg, P.Eng.  
Presiding Member

*(original signed by)*

T. McGee  
Member

*(original signed by)*

L. J. Bayda  
Acting Member





## APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative (APPLICANTS)
ATCO Gas B. Bale L. E. Smith, Q.C.
Alberta Urban Municipalities Association/City of Edmonton/Office of the Utilities Consumer Advocate (AUMA/EDM/UCA) J. A. Bryan, Q.C.
The City of Calgary (Calgary) D. I. Evanchuk
Consumers Coalition of Alberta (CCA) J. A. Wachowich
Public Institutional Consumers of Alberta N. McKenzie

Alberta Energy and Utilities Board Board Panel A. J. Berg, P.Eng, Presiding Member T. McGee, Member L. J. Bayda, Acting Member  Board Staff S. Damji (Board Counsel) R. Armstrong, P.Eng. D. Popowich, P.Eng.
--

## **APPENDIX 2 – OCTOBER 6, 2006 R&V APPLICATION - APPENDICES 3A, 3B, 3C**

[\(Return to text\)](#)



Appendix 2 -  
October 6-2006 Appe

(Consists of 3 pages)

**APPENDIX 3 – AUGUST 14, 2007, BR-AG-4 ATTACHMENT REVISED APPENDICES  
3A, 3B, 3C**

[\(Return to text\)](#)



Appendix 3 - Aug  
14-2007 BR-AG-4 Att

(Consists of 3 pages)

**APPENDIX 4 – DECISION 2006-083, APPENDIX A – ACCOUNT 721 ADJUSTMENTS**

**Account 721 Adjustments  
 (\$000)**

Decision Reference	2005			2006			2007		
	North	South	Total	North	South	Total	North	South	Total
1 Administrative Expense (Including Carbon) per Application BR-38(a) Attach 2	21,067	20,607	41,674	21,364	21,037	42,391	21,870	21,493	43,363
2 Administrative Adjustment to account 721 from Decision 2006-004	-3,275	-2,837	-6,112	-3,171	-2,876	-6,047	-3,305	-2,951	-6,256
3 Approved 2004 base plus inflation Decision 2006-004 BD 40	17,792	17,770	35,562	18,183	18,161	36,344	18,565	18,542	37,107
Additional to 2004 Board Approved: Labor									
4 HR Advisors BD 14	31	29	60	65	59	124	67	61	128
5 Variable Pay Program 50% approved BD 36	49	49	98	50	51	101	52	53	105
6 Accountant, Financial Planning, Director Regulatory P 73	53	53	106	68	66	134	188	182	370
7 Total Labour and O & M Adjustments	133	131	264	183	176	359	307	296	603
Supplies:									
8 Manager Internal Controls BD 35	10	11	21	10	11	21	11	12	23
9 Adjust I-Tek Placeholder from Application 7.5% BD 17	-520	-530	-1,050	-517	-524	-1,041	-525	-531	-1,056
10 Total Supplies and Adjustments	-510	-519	-1,029	-507	-513	-1,020	-514	-519	-1,033
11 Approved Account 721 Expense (Note 1)	\$ 17,415	\$ 17,382	\$ 34,797	\$ 17,859	\$ 17,824	\$ 35,683	\$ 18,358	\$ 18,319	\$ 36,677

Note 1 Subject to adjustments for differences between applied placeholder amounts shown below and awarded placeholder amounts resulting from benchmarking

**O & M Placeholders per Application**

(\$000)

12 Executive Salaries BR-AU-29 AU	937	936	1,873	960	960	1,920	985	984	1,969
13 Corporate Office Executive Salaries Exh 30-06	482	523	1,005	498	540	1,038	511	556	1,067
14 Directors Fees AG Exh 30-06	18	19	37	19	19	38	20	19	39
15 Directors Fees Corporate Exh 30-06	142	142	284	147	147	294	151	151	302
16 Pension Compl Filing	359	302	661	372	313	685	386	324	710
17 Deferred Asset Amortization Exh 30-06	642	1,050	1,692	577	941	1,518	511	836	1,347
18 Supplemental Pension & OPEB Exh 30-06	701	590	1,291	722	607	1,329	743	624	1,367
19 Rent Expense Exh 30-06	791	755	1,546	791	755	1,546	791	755	1,546
20 I-Tek Computer Services (Note 2) Exh 30-06	6,418	6,532	12,950	6,371	6,468	12,839	6,477	6,547	13,024
21 Gas Balancing (Note 3) BD 20			0			0			0

Note 2 Adjusted to reflect Decision 2002-069

Note 3 Retailer Service Phase II Part B

**ATCO Gas Total**  
**2005-2007 General Rate Application**  
**Account 721**  
**(\$000's)**

	(A)	(B)	(C)	(D)	(C) + (D)	(E)	(F)	(G)	(H)
	2004	Less Costs	2004 Actual	Reduction to	Starting	Add 2.2%	Revised	Revised	Revised
	Actual	Placeholders	Revised	Reflect Full Year	Point	Inflation	2005	2006	2007
				of Non-Retail <sup>(1)</sup>			GRA	GRA	GRA
Labour	9,631	(1,033)	8,598	(364)	8,234	181	8,415	8,601	8,782
Airfares, Lodging, Vehicles, Mileage	356		356	(15)	341	8	348	356	363
ATCO Corporate Services	3,663	(938)	2,725	(115)	2,610	57	2,667	2,726	2,783
ATCO I-Tek	11,069	(11,069)	-	-	-	-	-	-	-
Contract Labour	161		161	(7)	154	3	158	161	164
Conventions	225		225	(10)	215	5	220	225	230
Corporate Aircraft	700		700	(30)	670	15	685	700	715
Courier Services	197		197	(8)	189	4	193	197	201
Directory Telephone Advertising	359		359	(15)	344	8	351	359	367
Employee Relocation	628		628	(27)	601	13	615	628	641
Facilities Management	613		613	(26)	587	13	600	613	626
Mgmt. Development & Training Course	119		119	(5)	114	3	116	119	121
Office Rent	6,180	(1,288)	4,892	(207)	4,685	103	4,788	4,893	4,996
Stationery, Printing, Photocopier	1,066		1,066	(45)	1,021	22	1,043	1,066	1,088
Telephone Rental & Tolls, Fax	349		349	(15)	334	7	342	349	356
Other Supplies	977		977	(41)	936	21	956	978	999
<b>Total</b>	<b>36,293</b>	<b>(14,328)</b>	<b>21,965</b>	<b>(930)</b>	<b>21,035</b>	<b>463</b>	<b>21,498</b>	<b>21,971</b>	<b>22,432</b>
<b>Add Placeholders:</b>									
Utility Executive Compensation							1,836	1,882	1,930
Corporate Office Executive Compensation							1,005	1,038	1,067
ATCO I-Tek (reduced by 7.5%)							12,950	12,839	13,024
Head Office Rent - AC Edm							1,546	1,546	1,546
<b>Revised Totals</b>							<b>38,835</b>	<b>39,276</b>	<b>39,999</b>
<b>Approved Totals per Decision 2006-083</b>							<b>34,797</b>	<b>35,683</b>	<b>36,677</b>
<b>Difference</b>							<b>4,038</b>	<b>3,593</b>	<b>3,322</b>

(1) The reduction to reflect a full year of non-retail has been adjusted to remove the costs related to placeholders:

2004 approved per Decision 2004-047	35,933
ATCO I-Tek	(10,161)
Head Office Rent - AC Edm	(1,272)
Utility Executive Compensation	(1,310)
Corporate Office Executive Compensation	(876)
	<u>22,314</u>
% Reduction	<u>10%</u>
	<u>2,231</u>
Prorated	<u>5/12</u>
Reduction in administration costs	<u>930</u>

ATCO Gas North  
 2005-2007 General Rate Application  
 Account 721  
 (\$000's)

	(A) 2004 Actual	(B) Less Costs Related to Placeholders	(C) 2004 Actual Revised	(D) Reduction to Reflect Full Year of Non-Retail <sup>(1)</sup>	(C) + (D) Starting Point	(E) Add 2.2% Inflation	(F) Revised 2005 GRA	(G) Revised 2006 GRA	(H) Revised 2007 GRA
Labour	4,898	(517)	4,381	(179)	4,202	92	4,294	4,390	4,482
Airfares, Lodging, Vehicles, Mileage	196		196	(8)	188	4	192	196	200
ATCO Corporate Services	1,756	(450)	1,306	(53)	1,253	28	1,280	1,308	1,335
ATCO I-Tek	5,345	(5,345)	-	-	-	-	-	-	-
Contract Labour	82		82	(3)	79	2	80	82	84
Conventions	123		123	(5)	118	3	121	123	126
Corporate Aircraft	355		355	(15)	340	7	348	356	363
Courier Services	98		98	(4)	94	2	96	98	100
Directory Telephone Advertising	182		182	(7)	175	4	178	182	186
Employee Relocation	323		323	(13)	310	7	317	324	331
Facilities Management	217		217	(9)	208	5	213	217	222
Mgmt. Development & Training Course	59		59	(2)	57	1	58	59	60
Office Rent	3,064	(642)	2,422	(99)	2,323	51	2,374	2,426	2,477
Stationery, Printing, Photocopier	560		560	(23)	537	12	549	561	573
Telephone Rental & Tolls, Fax	174		174	(7)	167	4	171	174	178
Other Supplies	712		712	(29)	683	15	698	714	729
<b>Total</b>	<b>18,144</b>	<b>(6,954)</b>	<b>11,190</b>	<b>(458)</b>	<b>10,732</b>	<b>236</b>	<b>10,968</b>	<b>11,210</b>	<b>11,446</b>
<b>Add Placeholders:</b>									
Utility Executive Compensation							918	941	965
Corporate Office Executive Compensation							482	498	511
ATCO I-Tek (reduced by 7.5%)							6,418	6,371	6,477
Head Office Rent - AC Edm							791	791	791
<b>Revised Totals</b>							<b>19,577</b>	<b>19,811</b>	<b>20,190</b>
<b>Approved Totals per Decision 2006-083</b>							<b>17,415</b>	<b>17,859</b>	<b>18,358</b>
<b>Difference</b>							<b>2,162</b>	<b>1,952</b>	<b>1,832</b>

(1) The reduction to reflect a full year of non-retail has been adjusted to remove the costs related to placeholders:

2004 approved per Decision 2004-047	17,642
ATCO I-Tek	(4,928)
Head Office Rent - AC Edm	(634)
Utility Executive Compensation	(655)
Corporate Office Executive Compensation	(442)
	<u>10,983</u>
% Reduction	<u>10%</u>
	<u>1,098</u>
Prorated	<u>5/12</u>
Reduction in administration costs	<u>458</u>

ATCO Gas South  
 2005-2007 General Rate Application  
 Account 721  
 (\$000's)

	(A) 2004 Actual	(B) Less Costs Related to Placeholders	(C) 2004 Actual Revised	(D) Reduction to Reflect Full Year of Non-Retail <sup>(1)</sup>	(C) + (D) Starting Point	(E) Add 2.2% Inflation	(F) Revised 2005 GRA	(G) Revised 2006 GRA	(H) Revised 2007 GRA
Labour	4,733	(516)	4,217	(185)	4,032	89	4,121	4,213	4,301
Airfares, Lodging, Vehicles, Mileage	160		160	(7)	153	3	156	160	163
ATCO Corporate Services	1,907	(488)	1,419	(62)	1,357	30	1,387	1,417	1,447
ATCO I-Tek	5,724	(5,724)	-	-	-	-	-	-	-
Contract Labour	79		79	(3)	76	2	77	79	81
Conventions	102		102	(4)	98	2	100	102	104
Corporate Aircraft	345		345	(15)	330	7	337	345	352
Courier Services	99		99	(4)	95	2	97	99	101
Directory Telephone Advertising	177		177	(8)	169	4	173	177	181
Employee Relocation	305		305	(13)	292	6	298	305	311
Facilities Management	396		396	(17)	379	8	387	395	403
Mgmt. Development & Training Course	60		60	(3)	57	1	59	60	61
Office Rent	3,116	(646)	2,470	(108)	2,362	52	2,414	2,467	2,519
Stationery, Printing, Photocopier	506		506	(22)	484	11	494	505	516
Telephone Rental & Tolls, Fax	175		175	(8)	167	4	171	175	179
Other Supplies	265		265	(12)	253	6	259	266	272
<b>Total</b>	<b>18,149</b>	<b>(7,374)</b>	<b>10,775</b>	<b>(472)</b>	<b>10,303</b>	<b>227</b>	<b>10,530</b>	<b>10,765</b>	<b>10,991</b>
<b>Add Placeholders:</b>									
Utility Executive Compensation							918	941	965
Corporate Office Executive Compensation							523	540	556
ATCO I-Tek (reduced by 7.5%)							6,532	6,468	6,547
Head Office Rent - AC Edm							755	755	755
<b>Revised Totals</b>							<b>19,258</b>	<b>19,469</b>	<b>19,814</b>
<b>Approved Totals per Decision 2006-083</b>							<b>17,382</b>	<b>17,824</b>	<b>18,319</b>
<b>Difference</b>							<b>1,876</b>	<b>1,645</b>	<b>1,495</b>

(1) The reduction to reflect a full year of non-retail has been adjusted to remove the costs related to placeholders:

2004 approved per Decision 2004-047	18,291
ATCO I-Tek	(5,233)
Head Office Rent - AC Edm	(638)
Utility Executive Compensation	(655)
Corporate Office Executive Compensation	(434)
	<u>11,331</u>
% Reduction	<u>10%</u>
	<u>1,133</u>
Prorated	<u>5/12</u>
Reduction in administration costs	<u>472</u>

ATCO Gas  
 2005-2007 General Rate Application  
 Prime 721  
 (\$000's)

	(A)	(B)	(C)	(D)	(C) + (D)	(E)	(F)	(G)	(H)
	2004	Less Costs	2004 Actual	Reduction to	(C) + (D)	Add 2.2%	Revised	Revised	Revised
	Actual	Related to	Revised	Reflect Full Year	Starting	Inflation	2005	2006	2007
		Placeholders		of Non-Retail	Point		GRA	GRA	GRA
1 Labour	9,631	(1,033)	8,598	(364)	8,234	181	8,415	8,601	8,782
2 Airfares, Lodging, Vehicles, Mileage	356		356	(15)	341	8	348	356	363
3 ATCO Corporate Services	3,663	(938)	2,725	(115)	2,610	57	2,667	2,726	2,783
4 ATCO I-Tek	11,069	(11,069)	-	-	-	-	-	-	-
5 Contract Labour	161		161	(7)	154	3	158	161	164
6 Conventions	225		225	(10)	215	5	220	225	230
7 Corporate Aircraft	700		700	(30)	670	15	685	700	715
8 Courier Services	197		197	(8)	189	4	193	197	201
9 Directory Telephone Advertising	359		359	(15)	344	8	351	359	367
10 Employee Relocation	628		628	(27)	601	13	615	628	641
11 Facilities Management	613		613	(26)	587	13	600	613	626
12 Mgmt. Development & Training Cours	119		119	(5)	114	3	116	119	121
13 Office Rent	6,180	(1,288)	4,892	(207)	4,685	103	4,788	4,893	4,996
14 Stationery, Printing, Photocopier	1,066		1,066	(45)	1,021	22	1,043	1,066	1,088
15 Telephone Rental & Tolls, Fax	349		349	(15)	334	7	342	349	356
16 Other Supplies	977		977	(41)	936	21	956	978	999
<b>Total</b>	<b>36,293</b>	<b>(14,328)</b>	<b>21,965</b>	<b>(930)</b>	<b>21,035</b>	<b>463</b>	<b>21,498</b>	<b>21,971</b>	<b>22,432</b>
<b>Adjustments subsequent to R&amp;V Application:</b>									
17 Head Office Costs							764	935	933
18 Rounding							-	(1)	2
19 Transpose error in Compliance II filing - See Note 1 below							-	(25)	-
20 Board Adjustment for Typographical Error							-	-	(233)
<b>Add Placeholders:</b>									
21 Utility Executive Compensation - Final Approved							1,586	1,632	1,680
22 Corporate Office Executive Compensation - Final Approved							1,005	1,038	1,067
23 ATCO I-Tek (reduced by 7.5%)							12,950	12,839	13,176
24 Head Office Rent - AC Edm - Final Approved							1,460	1,460	1,460
<b>Revised Totals</b>							<b>39,263</b>	<b>39,849</b>	<b>40,517</b>
<b>Approved Totals per Decision 2007-036</b>							<b>35,225</b>	<b>36,256</b>	<b>37,195</b>
<b>Difference</b>							<b>4,038</b>	<b>3,593</b>	<b>3,322</b>
<b>Reconciliation of Subsequent Decisions:</b>									
<b>Approved Totals per Decision 2006-083</b>							<b>34,797</b>	<b>35,683</b>	<b>36,677</b>
Executive Compensation - VPP (adjustment to line 21 above)							(250)	(250)	(250)
Rent Expense (adjustment to line 24 above)							(86)	(86)	(86)
DFSS (adjustment to line 23 above)							-	-	152
Rounding (adjustment to line 18 above)							-	(1)	2
Transpose error in Compliance II filing (adjustment to line 19 above) - See Note 1 below							-	(25)	-
<b>Approved Totals per Decision 2006-100 (Common Matters Decision)</b>							<b>34,461</b>	<b>35,321</b>	<b>36,495</b>
Head Office Costs (adjustment to line 17 above)							764	935	933
<b>Approved Totals per Decision 2006-133</b>							<b>35,225</b>	<b>36,256</b>	<b>37,428</b>
Board Adjustment for Typographical Error (adjustment to line 20 above)							-	-	(233)
<b>Approved Totals per Decision 2007-036</b>							<b>35,225</b>	<b>36,256</b>	<b>37,195</b>

Note 1: In the compliance to Decision 2006-083, filed on September 11, 2006, ATCO Gas inadvertently made a transposition error in the O&M adjustments causing a reduction to the revenue requirement of \$25,000. ATCO Gas viewed this error as immaterial to request a revision to the Compliance Filing.

Application No. 1481898  
 Submitted: August 14, 2007



ATCO Gas North  
 2005-2007 General Rate Application  
 Account 721  
 (\$000's)

	(A)	(B)	(C)	(D)	(C) + (D)	(E)	(F)	(G)	(H)
	2004 Actual	Less Costs Related to Placeholders	2004 Actual Revised	Reduction to Reflect Full Year of Non-Retail	Starting Point	Add 2.2% Inflation	Revised 2005 GRA	Revised 2006 GRA	Revised 2007 GRA
1 Labour	4,898	(517)	4,381	(179)	4,202	92	4,294	4,389	4,480
2 Airfares, Lodging, Vehicles, Mileage	196		196	(8)	188	4	192	196	200
3 ATCO Corporate Services	1,756	(450)	1,306	(53)	1,253	28	1,280	1,308	1,335
4 ATCO I-Tek	5,345	(5,345)	-	-	-	-	-	-	-
5 Contract Labour	82		82	(3)	79	2	80	82	84
6 Conventions	123		123	(5)	118	3	121	123	126
7 Corporate Aircraft	355		355	(15)	340	7	348	356	363
8 Courier Services	98		98	(4)	94	2	96	98	100
9 Directory Telephone Advertising	182		182	(7)	175	4	178	182	186
10 Employee Relocation	323		323	(13)	310	7	317	324	331
11 Facilities Management	217		217	(9)	208	5	213	217	222
12 Mgmt. Development & Training Cours	59		59	(2)	57	1	58	59	60
13 Office Rent	3,064	(642)	2,422	(99)	2,323	51	2,374	2,426	2,477
14 Stationery, Printing, Photocopier	560		560	(23)	537	12	549	561	573
15 Telephone Rental & Tolls, Fax	174		174	(7)	167	4	171	174	178
16 Other Supplies	712		712	(29)	683	15	698	714	729
<b>Total</b>	<b>18,144</b>	<b>(6,954)</b>	<b>11,190</b>	<b>(458)</b>	<b>10,732</b>	<b>236</b>	<b>10,968</b>	<b>11,209</b>	<b>11,444</b>
<b>Adjustments subsequent to R&amp;V Application:</b>									
17 Head Office Costs							363	449	448
18 Rounding							(2)	-	-
19 Transpose error in Compliance II filing - See Note 1 below							-	(25)	-
20 Board Adjustment for Typographical Error							-	-	(119)
<b>Add Placeholders:</b>									
21 Utility Executive Compensation - Final Approved							793	816	840
22 Corporate Office Executive Compensation - Final Approved							482	498	511
23 ATCO I-Tek (reduced by 7.5%)							6,418	6,371	6,553
24 Head Office Rent - AC Edm - Final Approved							747	747	747
<b>Revised Totals</b>							<b>19,769</b>	<b>20,065</b>	<b>20,424</b>
<b>Approved Totals per Decision 2007-036</b>							<b>17,607</b>	<b>18,114</b>	<b>18,594</b>
<b>Difference</b>							<b>2,162</b>	<b>1,951</b>	<b>1,830</b>
<b>Reconciliation of Subsequent Decisions:</b>									
<b>Approved Totals per Decision 2006-083</b>							<b>17,415</b>	<b>17,859</b>	<b>18,358</b>
Executive Compensation - VPP (adjustment to line 21 above)							(125)	(125)	(125)
Rent Expense (adjustment to line 24 above)							(44)	(44)	(44)
DFSS (adjustment to line 23 above)							-	-	76
rounding (adjustment to line 18 above)							(2)	-	-
Transpose error in Compliance II filing (adjustment to line 19 above) - See Note 1 below							-	(25)	-
<b>Approved Totals per Decision 2006-100 (Common Matters Decision)</b>							<b>17,244</b>	<b>17,665</b>	<b>18,265</b>
Head Office Costs (adjustment to line 17 above)							363	449	448
<b>Approved Totals per Decision 2006-133</b>							<b>17,607</b>	<b>18,114</b>	<b>18,713</b>
Board Adjustment for Typographical Error (adjustment to line 20 above)							-	-	(119)
<b>Approved Totals per Decision 2007-036</b>							<b>17,607</b>	<b>18,114</b>	<b>18,594</b>

Note 1: In the compliance to Decision 2006-083, filed on September 11, 2006, ATCO Gas inadvertently made a transposition error in the O&M adjustments causing a reduction to the revenue requirement of \$25,000. ATCO Gas viewed this error as immaterial to request a revision to the Compliance Filing.

Application No. 1481898  
 Submitted: August 14, 2007

ATCO Gas South  
 2005-2007 General Rate Application  
 Account 721  
 (\$000's)

	(A)	(B)	(C)	(D)	(C) + (D)	(E)	(F)	(G)	(H)
	2004 Actual	Less Costs Related to Placeholders	2004 Actual Revised	Reduction to Reflect Full Year of Non-Retail	Starting Point	Add 2.2% Inflation	Revised 2005 GRA	Revised 2006 GRA	Revised 2007 GRA
1 Labour	4,733	(516)	4,217	(185)	4,032	89	4,121	4,210	4,298
2 Airfares, Lodging, Vehicles, Mileage	160		160	(7)	153	3	156	160	163
3 ATCO Corporate Services	1,907	(488)	1,419	(62)	1,357	30	1,387	1,417	1,447
4 ATCO I-Tek	5,724	(5,724)	-	-	-	-	-	-	-
5 Contract Labour	79		79	(3)	76	2	77	79	81
6 Conventions	102		102	(4)	98	2	100	102	104
7 Corporate Aircraft	345		345	(15)	330	7	337	345	352
8 Courier Services	99		99	(4)	95	2	97	99	101
9 Directory Telephone Advertising	177		177	(8)	169	4	173	177	181
10 Employee Relocation	305		305	(13)	292	6	298	305	311
11 Facilities Management	396		396	(17)	379	8	387	395	403
12 Mgmt. Development & Training Cours	60		60	(3)	57	1	59	60	61
13 Office Rent	3,116	(646)	2,470	(108)	2,362	52	2,414	2,467	2,519
14 Stationery, Printing, Photocopier	506		506	(22)	484	11	494	505	516
15 Telephone Rental & Tolls, Fax	175		175	(8)	167	4	171	175	179
16 Other Supplies	265		265	(12)	253	6	259	266	272
<b>Total</b>	<b>18,149</b>	<b>(7,374)</b>	<b>10,775</b>	<b>(472)</b>	<b>10,303</b>	<b>227</b>	<b>10,530</b>	<b>10,762</b>	<b>10,988</b>
<b>Adjustments subsequent to R&amp;V Application:</b>									
17 Head Office Costs							401	486	485
18 Rounding							2	(1)	2
19 Transpose error in Compliance II filing							-	-	-
20 Board Adjustment for Typographical Error							-	-	(114)
<b>Add Placeholders:</b>									
21 Utility Executive Compensation - Final Approved							793	816	840
22 Corporate Office Executive Compensation - Final Approved							523	540	556
23 ATCO I-Tek (reduced by 7.5%)							6,532	6,468	6,623
24 Head Office Rent - AC Edm - Final Approved							713	713	713
<b>Revised Totals</b>							<b>19,494</b>	<b>19,784</b>	<b>20,093</b>
<b>Approved Totals per Decision 2007-036</b>							<b>17,618</b>	<b>18,142</b>	<b>18,601</b>
<b>Difference</b>							<b>1,876</b>	<b>1,642</b>	<b>1,492</b>
<b>Reconciliation of Subsequent Decisions:</b>									
<b>Approved Totals per Decision 2006-083</b>							<b>17,382</b>	<b>17,824</b>	<b>18,319</b>
Executive Compensation - VPP (adjustment to line 21 above)							(125)	(125)	(125)
Rent Expense (adjustment to line 24 above)							(42)	(42)	(42)
DFSS (adjustment to line 23 above)							-	-	76
Rounding (adjustment to line 18 above)							2	(1)	2
<b>Approved Totals per Decision 2006-100 (Common Matters Decision)</b>							<b>17,217</b>	<b>17,656</b>	<b>18,230</b>
Head Office Costs (adjustment to line 17 above)							401	486	485
<b>Approved Totals per Decision 2006-133</b>							<b>17,618</b>	<b>18,142</b>	<b>18,715</b>
Board Adjustment for Typographical Error (adjustment to line 20 above)							-	-	(114)
<b>Approved Totals per Decision 2007-036</b>							<b>17,618</b>	<b>18,142</b>	<b>18,601</b>