



# **AltaGas Utilities Inc.**

**Unaccounted for Gas Rate  
Effective November 1, 2003**

**Cost Awards**

**ALBERTA ENERGY AND UTILITIES BOARD**

Utility Cost Order 2004-15: AltaGas Utilities Inc.

Unaccounted for Gas Rate – Effective November 1, 2003

Application No. 1316814

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**Contents**

**1 INTRODUCTION..... 1**

**2 VIEWS OF THE BOARD – AUTHORITY TO AWARD COSTS..... 1**

**3 VIEWS OF THE BOARD - ASSESSMENT ..... 2**

**4 GST..... 2**

**5 ORDER ..... 3**

**APPENDIX A – Summary of Costs Claimed and Awarded..... 4**

# ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

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**AltaGas Utilities Inc.  
Unaccounted for Gas Rate  
Effective November 1, 2003**

**Utility Cost Order 2004-15  
Application No. 1316814  
File No. 8000-1316814-01**

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## 1 INTRODUCTION

On October 10, 2003, AltaGas Utilities Inc. (AltaGas) filed an application (the Application) with the Alberta Energy and Utilities Board (EUB / Board) for approval to decrease Rate Rider "E" from 1.20 per cent to 1.13 per cent effective November 1, 2003.

AltaGas stated that the Application had also been distributed to its customers on October 10, 2003 in order to reach a general consensus on revising Rider "E". AltaGas provided details of the proposed rate adjustment to the following interested parties:

- Municipal Gas Co-op Intervenors and Bonnyville Municipal Intervenors (MGCI)
- Consumers Coalition of Alberta
- Energy Users Association of Alberta
- Alberta Urban Municipalities Association

AltaGas indicated that these parties represented the same intervenor groups that had participated in past AltaGas GCRR applications. On October 16, 2003, the MGCI requested that AltaGas provide a schedule identifying receipts and deliveries for 1999 through 2003 in order to verify the calculation of annual loss ratios as reported on Schedule B of the application.

Following the filing of the requested information by AltaGas on October 17, 2003, the MGCI considered the proposed change to Rate Rider "E" appropriate.

On October 27, 2003 the Board issued Order U2003-392. Accordingly, the Board considers that the close of record for this proceeding was October 27, 2003.

By letter dated January 26, 2004 the EUB circulated a summary of the costs being claimed to interested parties. Parties were advised that any comments regarding the figures in the summary or the merits of the total costs claimed were to be submitted by February 10, 2004. The Board did not receive any comments. Accordingly, the Board considers that the cost process for this particular proceeding closed on February 10, 2004.

## 2 VIEWS OF THE BOARD – Authority to Award Costs

The Board's authority to award costs is derived from section 68 of the *Public Utilities Board Act*, R.S.A. 2000, c. P-45, which states in part:

- (1) The costs of and incidental to any proceeding before the Board, except as otherwise provided for in this Act, are in the discretion of the Board, and may be fixed in any case at a sum certain or may be taxed.

- ...
- (3) The Board may order by whom or to whom any costs are to be paid, and by whom they are to be taxed and allowed.

When assessing a cost claim pursuant to section 68, the Board is guided by Part 5 of its *Rules of Practice*, AR 101/2001 and by the principles and policies expressed in Guide 31B, *Guidelines for Utility Cost Claims* (Guide 31B). Before exercising its discretion to award costs, the Board must consider the effectiveness of a participant's contribution to the process, its relevance to the issues, and whether the costs claimed are fair and reasonable in light of the scope and nature of the issues in question.

In the Board's view, the responsibility to contribute positively to the process is inherent in the choice to intervene in a proceeding. The Board 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. When determining a cost award, the Board will consider if the participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Board. To the extent reasonably possible, the Board will be mindful of participants' will to co-operate with the Board and other participants to promote an efficient and cost-effective proceeding.

As the costs of a utility proceeding are generally passed on to customers, it is the Board's duty to ensure that customers receive fair value for a party's contribution. As such, the Board only approves those costs that are reasonable and directly and necessarily related to the party's participation in the proceeding.

### **3 VIEWS OF THE BOARD - Assessment**

The Board received one cost claim from the MCGI totaling \$1,329.38 including actual GST of \$86.97 with respect to the Proceeding.

The Board has reviewed the costs submitted MCGI, bearing in mind the principles specified in the Board's *Scale of Costs* set out in Appendix D to Guide 31B. The Board finds that the participation of MCGI was, for the most part, effective and of assistance in reviewing the Application. The Board notes the scope and complexity of the issues before it and the extent of the examination thereof. The Board also notes that the claim for professional fees and disbursements is in accordance with the *Scale of Costs*. Accordingly, the Board considers the claims for fees and disbursements for MCGI to be reasonable as outlined in Appendix "A" to this Order in the total amount of \$1,279.68.

### **4 GST**

In accordance with the Board's treatment of the GST on cost awards, AltaGas 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 Board has reduced this particular portion of their claim. Eligible GST approved by the Board amounts to \$37.27 as shown in column (d) of Appendix "A". The GST allowed by the Board may also be charged against AltaGas' Hearing Cost Reserve Account.

The Board 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**

THEREFORE, for and subject to the reasons set out in this Order, the Alberta Energy and Utilities Board, pursuant to the provisions of the *Public Utilities Board Act* and regulations thereunder, HEREBY ORDERS AS FOLLOWS:

AltaGas Utilities Inc. shall pay intervener costs in the amount of \$1,279.68, as set out in column (e) of Appendix “A”.

AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$1,279.68, as set out in column (e) of Appendix “A”.

Dated in Calgary, Alberta on this 24th day of March, 2004.

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

(original signed by)

Thomas McGee  
Board Member

## APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



"UCO 2004-15  
Appendix A (AltaGas

[\(Back to Table of Contents\)](#)

**AltaGas Utilities Inc.  
Application for Adjustment to Rider "E", UFG  
1316814**

**Summary of Total Costs Awarded**

	Total Amount Claimed (a)	Total Fees Awarded (b)	Total Disbursements Awarded (c)	Total GST Awarded (d)	Total Amount Awarded (e)
<b>APPLICANT</b>					
<b>AltaGas Utilities Inc.</b>					
AltaGas Utilities Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>INTERVENERS</b>					
<b>Municipal and Gas Co-op Intervenors and Bonnyville Municipal Intervenors</b>					
Brownlee Fryett	\$431.70	\$387.50	\$15.96	\$12.10	\$415.56
Campbell Ryder Consulting Group	\$897.68	\$831.25	\$7.70	\$25.17	\$864.12
<b>Sub-Total</b>	<b>\$1,329.38</b>	<b>\$1,218.75</b>	<b>\$23.66</b>	<b>\$37.27</b>	<b>\$1,279.68</b>
<b>TOTAL INTERVENER COSTS</b>	<b>\$1,329.38</b>	<b>\$1,218.75</b>	<b>\$23.66</b>	<b>\$37.27</b>	<b>\$1,279.68</b>
<b>TOTAL INTERVENER AND APPLICANT COSTS</b>	<b>\$1,329.38</b>	<b>\$1,218.75</b>	<b>\$23.66</b>	<b>\$37.27</b>	<b>\$1,279.68</b>