



## **ATCO Gas & Pipelines Ltd. (North)**

**Application to Approve 2002 Rates, Amended  
North Core Agreement and  
Sale of Beaverhill Lake and  
Fort Saskatchewan Properties**

**Cost Awards**

**ALBERTA ENERGY AND UTILITIES BOARD**

Utility Cost Order 2004-27: ATCO Gas and Pipelines Ltd. (North)  
Application to Approve 2002 Rates, Amended North Core Agreement and  
Sale of Beaverhill Lake and Fort Saskatchewan Properties

Application No.: 1283224

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# **ALBERTA ENERGY AND UTILITIES BOARD**

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**Calgary, Alberta**

**ATCO Gas & Pipelines Ltd. (North)  
Application to Approve 2002 Rates,  
Amended North Core Agreement and  
Sale of Beaverhill Lake and  
Fort Saskatchewan Properties**

**Utility Cost Order 2004-27  
Application No. 1283224  
File No.:1505-4**

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## **1 INTRODUCTION**

By letter dated November 15, 2002, ATCO Gas North (AGN) and ATCO Pipelines North (APN) (hereinafter together referred to as ATCO), operating divisions of ATCO Gas and Pipelines Ltd. (AGPL), filed an application (the Application) requesting the Alberta Energy and Utilities Board (the Board) to approve as final interim rates effective January 1, 2002 and April 1, 2002, and approve the sale of the Beaverhill Lake and Fort Saskatchewan properties and the allocation of the proceeds to customers. The Panel assigned to consider this matter consisted of B.T. McManus, Q.C. (Presiding Member), C. Dahl Rees (Acting Member), and M.J. Bruni, Q.C. (Acting Member). On December 24, 2002 the Board issued Decision 2002-116.

The participants in this proceeding submitted cost claims totaling \$226,643.17, including actual GST of \$9,039.77 with respect to the proceeding. On June 13, 2003 the Board issued Utility Cost Order 2003-40 (UCO 2003-40) approving the cost claims of all the participants in this proceeding with the exception of the Aboriginal Communities (Ab. Comm.), Canadian Forest Products Ltd. (CANFOR), and the City of Edmonton (Edmonton).

In UCO 2003-40 the Board noted that the Submission of Justification, as required under Part 4.2 of Guide 31B, Guidelines for Utility Cost Claims (Guide 31B), now Part 4.3, was not provided to the Board by Ab. Comm., CANFOR, and Edmonton. The Board determined that it could not assess the reasonableness of these cost claims without additional information regarding the scope and nature of the involvement by these parties. Accordingly, the Board did not consider the claims submitted by these parties and advised that the claims would be considered if justification was submitted within 30 days of the issuance of UCO 2003-40.

On January 8, 2004, ATCO submitted additional costs for the Alberta Urban Municipalities Association (AUMA) in the amount of \$16,161.49, as outlined in Appendix "A" attached. The costs were submitted with the original claim however proper back-up material was not provided and accordingly the costs were not processed in UCO 2003-40. Although Board staff did advise ATCO of the discrepancy between the amount claimed and the corresponding back-up material the Board did not receive any explanation from ATCO. The Board has now been provided with the required back-up material and recognizes that this oversight was due to new personnel at ATCO at the time.

## 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 participants' cost claims total \$63,366.20 including actual GST of \$1,237.90 with respect to the Proceeding.

The Board has now had an opportunity to review the Submissions of Justification and cost claims submitted by Ab. Comm., CANFOR, Edmonton, and AUMA and has determined that the participation of the interveners was, for the most part, effective and of assistance in reviewing the Application. The Board notes the scope, nature, and complexity of the issues before it and extent of the examination thereof. The Board also notes that the claims for professional fees and other claims were in accordance with the *Scale of Costs*. Accordingly, the Board considers the claims for fees and disbursements for the participants to be reasonable as outlined in Appendix "A" in the total amount of \$63,366.20.

#### 4 GST

In accordance with the Board's treatment of the GST on cost awards, ATCO 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 \$1,237.90 as shown in column (d) of Appendix "A". The GST allowed by the Board may also be charged against ATCO's 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:

1. ATCO Gas & Pipelines Ltd. (North) shall pay intervener costs in the amount of \$63,366.20, as set out in column (e) of Appendix "A".
2. ATCO Gas & Pipelines Ltd. (North) shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$63,366.20, as set out in column (e) of Appendix "A".

Dated in Calgary, Alberta on this 6th day of April, 2004.

#### ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

Thomas McGee  
Board Member

## APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



"UCO 2004-27  
Appendix A (AGN Noi

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**AGPL (North)  
Sale of Beaverhill Lake and Fort Sask. Properties (1283224)**

**Summary of Total Costs Claimed and Awarded**

	Total Amount Claimed (a)	Total Fees Awarded (b)	Total Disbursements Awarded (c)	Total GST Awarded (d)	Total Fees, Disbursements, and GST Awarded (e)
<b>APPLICANT</b>					
<b>ATCO Gas and Pipelines Ltd.</b>					
ATCO Gas and Pipelines Ltd.	\$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>Aboriginal Communities</b>					
Aboriginal Communities	\$11,925.00	\$11,925.00	\$0.00	\$0.00	\$11,925.00
<b>Sub-Total</b>	<b>\$11,925.00</b>	<b>\$11,925.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$11,925.00</b>
<b>Alberta Urban Municipalities Association</b>					
Bryan & Company	\$5,782.49	\$5,400.00	\$4.20	\$378.29	\$5,782.49
Liddle Engineering Ltd.	\$10,379.00	\$9,700.00	\$0.00	\$679.00	\$10,379.00
<b>Sub-Total</b>	<b>\$16,161.49</b>	<b>\$15,100.00</b>	<b>\$4.20</b>	<b>\$1,057.29</b>	<b>\$16,161.49</b>
<b>Canadian Forest Products Ltd.</b>					
Canadian Forest Products Ltd.	\$29,079.10	\$26,655.00	\$2,424.10	\$0.00	\$29,079.10
<b>Sub-Total</b>	<b>\$29,079.10</b>	<b>\$26,655.00</b>	<b>\$2,424.10</b>	<b>\$0.00</b>	<b>\$29,079.10</b>
<b>The City of Edmonton</b>					
The City of Edmonton	\$6,200.61	\$6,020.00	\$0.00	\$180.61	\$6,200.61
<b>Sub-Total</b>	<b>\$6,200.61</b>	<b>\$6,020.00</b>	<b>\$0.00</b>	<b>\$180.61</b>	<b>\$6,200.61</b>
<b>Total Intervener Costs</b>	<b>\$63,366.20</b>	<b>\$59,700.00</b>	<b>\$2,428.30</b>	<b>\$1,237.90</b>	<b>\$63,366.20</b>
<b>Total Intervener and Applicant Costs</b>	<b>\$63,366.20</b>	<b>\$59,700.00</b>	<b>\$2,428.30</b>	<b>\$1,237.90</b>	<b>\$63,366.20</b>