



ATCO Gas North and South

2003 – 2004 General Rate Application
Compliance Filing Pursuant to Decision 2004-36

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD
Utility Cost Order 2004-61: ATCO Gas North & South
2003 – 2004 General Rate Application
Compliance Filing Pursuant to Decision 2004-036
Application No. 1346376

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

**ATCO Gas North & South
2003 – 2004 General Rate Application
Compliance Filing Pursuant to Decision 2004-036**

**Utility Cost Order 2004-61
Application No. 1346376
File No. 8000-1346376-01**

1 INTRODUCTION

On October 1, 2003, the Alberta Energy and Utilities Board (Board/EUB) issued Decision [2003-072](#) regarding the 2003/2004 Phase I General Rate Application (GRA) of ATCO Gas (ATCO or the Company). In Decision [2003-072](#), the Board directed ATCO to re-file its 2003/2004 GRA to incorporate the Board's findings in that Decision.

On December 8, 2003, ATCO re-filed its 2003/2004 GRA (the First Compliance Filing), reflecting the revisions to the Company's rate base and revenue requirement to comply with the Board's directions in Decision [2003-072](#). On April 28, 2004, the Board issued Decision [2004-036](#) dealing with ATCO's response to those directions. In Decision [2004-036](#), the Board directed the Company to submit a second compliance filing (the Second Compliance Filing) to adjust the revenue requirement for the test years to reflect the impact of Board directions in Decision [2004-036](#).

ATCO submitted the Second Compliance Filing on May 19, 2004. The Second Compliance Filing incorporated a proposal by ATCO for collection of the net revenue shortfall for 2003 and 2004 by way of a rider to be applied to customers' bills effective July 1, 2004. Recognizing the limited time available to process the filing prior to July 1, 2004, the Board invited interested parties to provide submissions with respect to the Second Compliance Filing no later than May 28, 2004, with reply by ATCO no later than June 4, 2004.

Submissions were received on May 28, 2004 from the City of Calgary (Calgary), and the Alberta Urban Municipalities Association and the City of Edmonton (AUMA/EDM). AUMA/EDM indicated that, "AUMA/EDM have no further comment regarding the Second Compliance filing". ATCO filed its reply to Calgary's submission on June 3, 2004.

The Panel assigned to consider this proceeding consisted of B. T. McManus, Q.C. (Presiding Member), Gordon J. Miller (Member) and J. I. Douglas, FCA (Member). The Board considers that the record for this proceeding closed on June 3, 2004.

On July 7, 2004 a summary of the costs being claimed was circulated to interested parties. Parties were advised that any comments regarding the figures listed in the summary or the merits of the total costs claimed were to be submitted to the Board by July 21, 2004. The Board did not receive any comments and therefore considers that the cost process for this proceeding closed on July 21, 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 EUB received a cost claim from ATCO totaling \$648.33 and from the Alberta Urban Municipalities Association/City of Edmonton totaling \$782.38 inclusive of GST. Both parties allocated their claims equally between ATCO Gas North and ATCO Gas South as reflected in Appendices A and B attached.

The Board has reviewed the costs submitted by the participants, 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 the interveners 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 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 all participants to be reasonable as outlined in [Appendices A and B](#) to this Order in the total amount of \$715.35 and \$715.36 respectively.

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 \$25.59 with respect to each ATCO Gas North and South as shown in column (g) of [Appendices A and B](#). The GST allowed by the Board may also be charged against each of ATCO's respective Hearing Cost Reserve Accounts.

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.

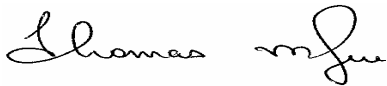
5 ORDER

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 North shall pay intervener costs in the amount of \$391.19, as set out in column (h) of [Appendix A](#).
2. ATCO Gas North's external costs in the amount of \$324.16, as set out in column (h) of [Appendix A](#), are approved.
3. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$715.35, as set out in column (h) of [Appendix A](#).
4. ATCO Gas South shall pay intervener costs in the amount of \$391.19, as set out in column (h) of [Appendix B](#).
5. ATCO Gas South's external costs in the amount of \$324.17, as set out in column (h) of [Appendix B](#), are approved.
6. ATCO Gas south shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$715.36, as set out in column (h) of [Appendix B](#).

Dated in Calgary, Alberta on this 8 day of Oct., 2004.

ALBERTA ENERGY AND UTILITIES BOARD



Thomas McGee
Board Member

APPENDIX A – Summary of Costs Claimed and Awarded (AGN)



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APPENDIX B – Summary of Costs Claimed and Awarded (AGS)



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ATCO Gas North

2003/2004 GRA - Compliance Filing
(1346376)

Summary of Total Costs Claimed and Awarded

	Total Fees Claimed (a)	Total Expenses Claimed (b)	Total GST Claimed (c)	Total Amount Claimed (d)	Total Fees Awarded (e)	Total Expenses Awarded (f)	Total GST Awarded (g)
APPLICANT							
ATCO Gas North							
ATCO Gas North	\$0.00	\$99.16	\$0.00	\$99.16	\$0.00	\$99.16	\$0.00
Bennett Jones LLP	\$225.00	\$0.00	\$0.00	\$225.00	\$225.00	\$0.00	\$0.00
Sub-total	\$225.00	\$99.16	\$0.00	\$324.16	\$225.00	\$99.16	\$0.00
INTERVENERS							
Alberta Urban Municipalities Association / City of Edmonton							
Bryan and Company	\$125.00	\$0.60	\$8.79	\$134.39	\$125.00	\$0.60	\$8.79
Robert L. Bruggeman Regulatory Consulting Ltd.	\$240.00	\$0.00	\$16.80	\$256.80	\$240.00	\$0.00	\$16.80
Sub-total	\$365.00	\$0.60	\$25.59	\$391.19	\$365.00	\$0.60	\$25.59
TOTAL INTERVENER COSTS	\$365.00	\$0.60	\$25.59	\$391.19	\$365.00	\$0.60	\$25.59
TOTAL INTERVENER AND APPLICANT COSTS	\$590.00	\$99.76	\$25.59	\$715.35	\$590.00	\$99.76	\$25.59

ATCO Gas North

2003/2004 GRA - Compliance Filing
(1346376)

Summary of Total Costs Claimed and Awarded

Total Amount Awarded (h)
\$99.16
\$225.00
\$324.16
\$134.39
\$256.80
\$391.19
\$391.19
\$715.35

ATCO Gas South

2003/2004 GRA - Compliance Filing
(1346376)

Summary of Total Costs Claimed and Awarded

	Total Fees Claimed (a)	Total Expenses Claimed (b)	Total GST Claimed (c)	Total Amount Claimed (d)	Total Fees Awarded (e)	Total Expenses Awarded (f)	Total GST Awarded (g)	Total Amount Awarded (h)
APPLICANT								
ATCO Gas South								
ATCO Gas South	\$0.00	\$99.17	\$0.00	\$99.17	\$0.00	\$99.17	\$0.00	\$99.17
Bennett Jones LLP	\$225.00	\$0.00	\$0.00	\$225.00	\$225.00	\$0.00	\$0.00	\$225.00
Sub-total	\$225.00	\$99.17	\$0.00	\$324.17	\$225.00	\$99.17	\$0.00	\$324.17
INTERVENERS								
Alberta Urban Municipalities Association / City of Edmonton								
Bryan and Company	\$125.00	\$0.60	\$8.79	\$134.39	\$125.00	\$0.60	\$8.79	\$134.39
Robert L. Bruggeman Regulatory Consulting Ltd.	\$240.00	\$0.00	\$16.80	\$256.80	\$240.00	\$0.00	\$16.80	\$256.80
Sub-total	\$365.00	\$0.60	\$25.59	\$391.19	\$365.00	\$0.60	\$25.59	\$391.19
TOTAL INTERVENER COSTS	\$365.00	\$0.60	\$25.59	\$391.19	\$365.00	\$0.60	\$25.59	\$391.19
TOTAL INTERVENER AND APPLICANT COSTS	\$590.00	\$99.77	\$25.59	\$715.36	\$590.00	\$99.77	\$25.59	\$715.36