

THE PROVINCE OF ALBERTA

PUBLIC UTILITIES BOARD ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of ATCO Gas North
GCRR Methodology and Gas Rate Unbundling
Compliance Filing

UTILITY COST ORDER 2003-26

Application Numbers: 1257378 and 1257516
Cost File Number: 8000-1257378 (01)
Board File Numbers: 5627-46 and 5627-47

1. DECISION

On October 30, 2001, the Alberta Energy and Utilities Board (the Board) issued Decision 2001-75 setting out its findings with respect to the methodology for managing utility gas supply portfolios and determining gas cost recovery rates (GCRR). In the Decision, the Board dealt specifically with its expectations for determination of the GCRR and gas rate unbundling on a going forward basis. In particular, the Board directed the utilities to administer and adjust the GCRR on a monthly basis, commencing April 1, 2002.

On February 15, 2002, ATCO Gas North (AGN) filed a mock GCRR Application (the Application) for the February 2002 period requesting Board approval of the mechanisms used to derive proposed GCRR rates.

The Panel assigned to consider this matter consisted of B.T. McManus, Q.C. (Presiding Member), Gordon J. Miller (Member), and T. McGee (Member).

On March 8, 2002, AGN filed its final response to the concerns expressed by the interested parties. Accordingly, the Board considers this date to be the close of record. On March 21, 2002 the Board issued Decision 2002-035.

Various participants submitted cost claims totaling \$19,118.85 including actual GST of \$970.92 with respect to the Proceeding.

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 directed by Part 5 of its *Rules of Practice* and is guided by the principles and policies expressed in Guide 31B, Guidelines for Utility Cost Claims. 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.

It is the EUB's position that the responsibility to positively contribute to the process is inherent in the choice to intervene in a proceeding. The EUB 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.

As the costs of a proceeding are generally passed on to customers, it is the Board's duty to ensure that customers receive fair value for their 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.

The Board has reviewed the costs submitted by participants, bearing in mind the principles specified in the Board's *Scale of Costs*. 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 Schedule "A".

In accordance with the Board's treatment of the GST on cost awards, AGN is required to pay only that portion of the GST paid by interveners that may not be recoverable through the GST credit mechanism. Eligible GST approved by the Board amounts to \$225.69 as shown in column (d) of Schedule "A". The GST allowed by the Board may also be charged against AGN'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-13.

2. ORDER

THEREFORE, for the reasons provided above, the Alberta Energy and Utilities Board, pursuant to the provisions of the *Public Utilities Board Act* and regulations hereunder, hereby orders as follows:

- 1) ATCO Gas North shall pay intervener costs in the amount of \$16,640.88, as set out in column (e) of Schedule "A".
- 2) ATCO Gas North's external costs in the amount of \$1,732.74, as set out in column (e) of Schedule "A", are approved.
- 3) ATOCO Gas North shall record in its Hearing Cost Reserve Account the allowed external applicant and intervener costs in the amount of \$18,373.62, as set out in column (e) of Schedule "A".

MADE at the City of Calgary, in the Province of Alberta, this 11th day of April, 2003.

ALBERTA ENERGY AND UTILITIES BOARD

Original Signed by Thomas McGee

Thomas McGee

ATCO Gas - North
Application Numbers: 1257378 and 1257516

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)
APPLICANT					
ATCO Gas - North					
ATCO Gas - North	\$145.24	\$0.00	\$145.24	\$0.00	\$145.24
Bennett Jones	\$1,587.50	\$1,587.50	\$0.00	\$0.00	\$1,587.50
Sub-Total	\$1,732.74	\$1,587.50	\$145.24	\$0.00	\$1,732.74
INTERVENERS					
Federation of Alberta Gas Co-ops / Gas Alberta Inc.					
Brownlee Fryett	\$3,760.94	\$3,500.00	\$14.89	\$0.00	\$3,514.89
Campbell Ryder Consulting Group	\$7,435.00	\$6,862.50	\$140.07	\$0.00	\$7,002.57
Sub-Total	\$11,195.94	\$10,362.50	\$154.96	\$0.00	\$10,517.46
Public Institutional Consumers of Alberta					
Energy Management & Regulatory Consulting Ltd.	\$1,720.00	\$1,720.00	\$0.00	\$0.00	\$1,720.00
Sub-Total	\$1,720.00	\$1,720.00	\$0.00	\$0.00	\$1,720.00
Municipal Interveners					
Robert L. Bruggeman Regulatory Consulting Ltd.	\$1,785.56	\$1,668.75	\$0.00	\$50.07	\$1,718.82
Sub-Total	\$1,785.56	\$1,668.75	\$0.00	\$50.07	\$1,718.82
Consumers Coalition of Alberta					
Wachowich & Company	\$2,078.48	\$1,942.50	\$0.00	\$135.98	\$2,078.48
Professional Regulatory Services Inc.	\$606.13	\$560.00	\$6.48	\$39.65	\$606.13
Sub-Total	\$2,684.61	\$2,502.50	\$6.48	\$175.63	\$2,684.61
TOTAL INTERVENER COSTS	\$17,386.11	\$16,253.75	\$161.44	\$225.69	\$16,640.88
TOTAL COSTS	\$19,118.85	\$17,841.25	\$306.68	\$225.69	\$18,373.62