



ATCO Gas

A Division of ATCO Gas and Pipelines Ltd.

**Reconciliation Process for Certain Costs and
Revenues Charged to the Gas Cost Recovery
Rate and Company-Owned Storage
Rate Rider**

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Utility Cost Order 2003-78 ATCO Gas – A Division of ATCO Gas and Pipelines Ltd.
Reconciliation Process for Certain Costs and Revenues Charged to the Gas
Cost Recovery Rate and Company-Owned Storage Rate Rider
Application No.: 1285053

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.gov.ab.ca

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 2

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED 4

APPENDIX B – SUMMARY OF COSTS CLAIMED AND AWARDED 4

ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

**ATCO Gas – A Division of ATCO Gas and Pipelines Ltd.
Reconciliation Process For Certain
Costs and Revenues Charged to the Gas
Cost Recovery Rate and Company-Owned
Storage Rate Rider**

**Utility Cost Order 2003-78
Application No.: 1285053
File No. 8000-1285053-01**

1 INTRODUCTION

By letter dated December 3, 2002, ATCO Gas filed an Application (the Application) with the Alberta Energy and Utilities Board (the Board) requesting approval of a proposed reconciliation process for the unbundled costs and revenues charged to the gas cost recovery rate (GCRR) and the company-owned storage rate rider (COSRR), as directed pursuant to Decision 2001-75, dated October 30, 2001.

By letter dated January 13, 2003, the Board advised all interested parties registered on the distribution lists for monthly gas cost recovery rate filings for ATCO Gas – North and ATCO Gas – South of the Application and invited comments from these parties on the merits of the Application.

Any party wishing to make a submission was required to do so by January 22, 2003. The Board received submissions from the Federation of Alberta Gas Co-ops Ltd. and Gas Alberta Inc. (the FGA) and the City of Calgary (Calgary).

The Panel assigned to consider this matter consisted of B.T. McManus, Q.C. (Presiding Member), T. McGee (Member), and C. Dahl Rees (Acting Member). On February 18, 2003, the Board issued Decision 2003-015.

The Board received two cost claims with respect to this proceeding, the City of Calgary (Calgary) totaling \$5,596.56 and the Federation of Alberta Gas Co-ops / Gas Alberta Inc. (FGA) totaling \$2,173.45. By letter dated April 16, 2003, parties were invited to comment on the figures listed in the summary of costs being claimed. The Board did not receive any comments.

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 positively contribute 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. The determination of those issues and, 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 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.

3 VIEWS OF THE BOARD - Assessment

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 Appendices "A" and "B" attached.

4 GST

In accordance with the Board's treatment of the GST on cost awards, AGS and AGN are 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 \$0.00 and \$156.92 as shown in column (d) of Appendices "A" and "B" respectively. The GST allowed by the Board may also be charged against each respective 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., c. E-15.

5 ORDER

1. ATCO Gas North shall pay intervener costs in the amount of \$2,031.26, as set out in column (e) of Appendix "A".

2. ATCO Gas North shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$2,031.26, as set out in column (e) of Appendix "A".
3. ATCO Gas South shall pay intervener costs in the amount of \$5,387.35, as set out in column (e) of Appendix "B".
4. ATCO Gas South shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$5,387.35, as set out in column (e) of Appendix "B".

Dated in Calgary, Alberta this 19th day of November, 2003.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

Thomas McGee
Board Member

APPENDIX A – SUMMARY OF COSTS CLAIMED AND AWARDED



"UCO 2003-78
Appendix A AGN (AG

APPENDIX B – SUMMARY OF COSTS CLAIMED AND AWARDED



"UCO 2003-78
Appendix B AGS (AG

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

ATCO Gas North
 Application No.: 1285053

Summary of Total Costs Claimed and Awarded

| | Total Amount Claimed (a) | Total Amount of Fees Awarded (b) | Total Amount of Disbursements Awarded (c) | Total GST Awarded (d) | Total Amount Awarded (e) |
|--|-----------------------------|-------------------------------------|--|--------------------------|-----------------------------|
| APPLICANT | | | | | |
| ATCO Gas North | | | | | |
| ATCO Gas North | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Sub-Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| INTERVENERS | | | | | |
| Federation of Alberta Gas Co-ops / Gas Alberta Inc. | | | | | |
| Brownlee Fryett | \$468.13 | \$437.50 | \$0.00 | \$0.00 | \$437.50 |
| Campbell Ryder | \$1,705.32 | \$1,575.00 | \$18.76 | \$0.00 | \$1,593.76 |
| Sub-Total | \$2,173.45 | \$2,012.50 | \$18.76 | \$0.00 | \$2,031.26 |
| TOTAL INTERVENER COSTS | | | | | |
| TOTAL COSTS | \$2,173.45 | \$2,012.50 | \$18.76 | \$0.00 | \$2,031.26 |

ATCO Gas South
Application No.: 1285053

Summary of Total Costs Claimed and Awarded

| | Total Amount Claimed (a) | Total Amount of Fees Awarded (b) | Total Amount of Disbursements Awarded (c) | Total Amount of GST Awarded (d) | Total Amount Awarded (e) |
|----------------------------------|-----------------------------|-------------------------------------|--|------------------------------------|-----------------------------|
| APPLICANT | | | | | |
| ATCO Gas South | | | | | |
| ATCO Gas South | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Sub-Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| INTERVENERS | | | | | |
| City of Calgary | | | | | |
| Burnet Duckworth & Palmer | \$2,917.18 | \$2,692.50 | \$33.84 | \$81.80 | \$2,808.14 |
| Peter J. Milne & Associates Inc. | \$374.50 | \$350.00 | \$0.00 | \$10.50 | \$360.50 |
| Energy Group, Inc. | \$2,304.88 | \$2,154.09 | \$0.00 | \$64.63 | \$2,218.72 |
| Sub-Total | \$5,596.56 | \$5,196.59 | \$33.84 | \$156.92 | \$5,387.35 |
| TOTAL INTERVENER COSTS | \$5,596.56 | \$5,196.59 | \$33.84 | \$156.92 | \$5,387.35 |
| TOTAL COSTS | \$5,596.56 | \$5,196.59 | \$33.84 | \$156.92 | \$5,387.35 |