



ATCO Pipelines

2017-2018 General Rate Application

Costs Award

November 7, 2017

Alberta Utilities Commission

Decision 22772-D01-2017

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1 Introduction

1. In this decision, the Alberta Utilities Commission considers applications (the costs claim applications) by ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. (ATCO Pipelines) and the Consumers' Coalition of Alberta (CCA) for approval and payment of their costs of participation in Proceeding 22011¹ (the original proceeding). The following table sets out the costs claimed and the amounts awarded:

Claimant	Total Fees Claimed	Total Disbursements Claimed	Total GST Claimed	Total Amount Claimed	Total Fees Awarded	Total Disbursements Awarded	Total GST Awarded	Total Amount Awarded
ATCO Pipelines								
Bennett Jones LLP	\$325,301.00	\$4,395.75	\$0.00 ²	\$329,696.75	\$325,301.00	\$4,395.75	\$0.00	\$329,696.75
Mercer AUS Consultants	\$33,679.30	\$14.80	\$0.00	\$33,694.10	\$33,679.30	\$14.80	\$0.00	\$33,694.10
Stantec	\$118,282.50	\$77.20	\$0.00	\$118,359.70	\$106,454.25	\$77.20	\$0.00	\$106,531.45
Underscore Consulting	\$49,178.50	\$0.00	\$0.00	\$49,178.50	\$36,883.88	\$0.00	\$0.00	\$36,883.88
Total	\$9,300.00	\$1,000.00	\$0.00	\$10,300.00	\$6,975.00	\$1,000.00	\$0.00	\$7,975.00
Total	\$535,741.30	\$5,487.75	\$0.00	\$541,229.05	\$509,293.43	\$5,487.75	\$0.00	\$514,781.18
CCA								
Wachowich & Company	\$18,340.00	\$0.00	\$917.00	\$19,257.00	\$18,340.00	\$0.00	\$917.00	\$19,257.00
Regulatory Services Inc.	\$74,686.25	\$42.60	\$3,736.44	\$78,465.29	\$74,686.25	\$42.60	\$3,736.44	\$78,465.29
Total	\$93,026.25	\$42.60	\$4,653.44	\$97,722.29	\$93,026.25	\$42.60	\$4,653.44	\$97,722.29
Total of all amounts claimed and awarded				\$638,951.34				\$612,503.47

2. The Commission has awarded ATCO Pipelines costs in an amount less than the amount claimed, and awarded the CCA costs in the amount claimed, for the reasons set out below.

3. The original proceeding was convened by the Commission to consider an application by ATCO Pipelines requesting approval of its 2017-2018 general rate application. The original proceeding included information requests (IRs), IR responses, written evidence, argument and reply argument. The close of record for the original proceeding was June 9, 2017 and the Commission issued Decision 22011-D01-2017³ on August 29, 2017.

4. ATCO Pipelines submitted its costs claim application on June 29, 2017, within the 30 day timeline permitted by the Commission pursuant to Rule 022: *Rules on Costs in Utility Rate*

¹ Proceeding 22011: ATCO Pipelines 2017-2018 General Rate Application.

² While the costs claim application submitted by ATCO Pipelines included a claim for GST, the Commission was subsequently advised by ATCO Pipelines via email that it was not claiming for GST. Exhibit 22772-X0008.

³ Decision 22011-D01-2017: ATCO Pipelines 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017.

Proceedings (Rule 022). The Commission assigned Proceeding 22772 and Application 22772-A001 to the costs claim application.

5. The CCA submitted its costs claim application on July 11, 2017. The costs claim was filed one day outside of the 30 day timeline permitted by Rule 022. Costs not received within the specified timeframe may be rejected without further process. The Commission used its discretion to accept the late filing. Within Proceeding 22772, the CCA's costs claim application was assigned Application 22772-A002.

6. In correspondence issued on July 27, 2017, the Commission invited interested parties to submit any comments regarding the figures listed in the costs claim applications or the merits of the total costs claimed by August 8, 2017. No comments were filed with respect to the costs claim applications.

2 Commission findings

7. The Commission's authority to award costs for participation in a utility rates proceeding is found in Section 21 of the *Alberta Utilities Commission Act*. When considering a claim for costs for a utility rates proceeding, the Commission is also guided by the factors set out in Section 11 of Rule 022. These factors include, among other things, whether eligible parties' costs claims are reasonable and directly and necessarily related to the original proceeding, and whether the participants acted responsibly and contributed to a better understanding of the issues before the Commission. Appendix A of Rule 022 prescribes a Scale of Costs applicable to all costs claimed.

2.1 ATCO Pipelines

8. The following table summarizes ATCO Pipeline's costs claim.

Claimant	Hours			Fees	Disbursements	GST	Total
	Preparation	Attendance	Argument				
ATCO Pipelines							
Bennett Jones LLP	800.60	0.00	157.40	\$325,301.00	\$4,395.75	\$0.00	\$329,696.75
Mercer	393.86	0.00	0.00	\$33,679.30	\$14.80	\$0.00	\$33,694.10
AUS Consultants	438.50	0.00	0.00	\$118,282.50	\$77.20	\$0.00	\$118,359.70
Stantec	420.00	0.00	0.00	\$49,178.50	\$0.00	\$0.00	\$49,178.50
Underscore Consulting	62.00	0.00	0.00	\$9,300.00	\$1,000.00	\$0.00	\$10,300.00
Total	2,114.96	0.00	157.40	\$535,741.30	\$5,487.75	\$0.00	\$541,229.05

9. The Commission finds that ATCO Pipelines acted responsibly in the original proceeding and contributed to the Commission's understanding of the relevant issues. However, the Commission is unable to approve the full amount of the costs claimed for the reasons set out below.

Bennett Jones LLP

10. ATCO Pipelines was represented by Bennett Jones LLP in the original proceeding. The fees claimed by ATCO Pipelines for the legal services provided by Mr. Nicholas Gretner, Mr.

Tim Myers and Mr. Dan Gallagher relate to drafting the original application, corresponding with retained experts, drafting IR responses, reviewing intervener evidence, drafting IRs and drafting argument and reply argument.

11. The Commission finds that the services performed by Mr. Gretner, Mr. Myers and Mr. Gallagher were directly and necessarily related to ATCO Pipeline's participation in the original proceeding, and that the fees and disbursements, which were claimed in accordance with the Scale of Costs for those services, are reasonable. Accordingly, the Commission approves ATCO Pipeline's claim for legal fees for Bennett Jones LLP in the amount of \$325,301.00 and disbursements for photocopying and courier fees of \$4,395.75 for a total of \$329,696.75.

Mercer (Canada) Limited

12. Mercer (Canada) Limited (Mercer) was retained by ATCO Pipelines to perform consulting services in the original proceeding. The fees claimed by ATCO Pipelines for the consulting services provided by Mercer relate to preparing the Non-Unionized 2017-2018 Salary Escalation Projections Report, drafting IR responses, reviewing intervener evidence and drafting rebuttal evidence.

13. The Commission finds that the services performed by Mercer were directly and necessarily related to ATCO Pipeline's participation in the original proceeding, and that the fees and disbursements, which were claimed in accordance with the Scale of Costs for those services, are reasonable. Accordingly, the Commission approves ATCO Pipeline's claim for consulting fees for Mercer in the amount of \$33,679.30 and disbursements of \$14.80 for a total of \$33,694.10.

AUS Consultants

14. AUS Consultants (AUS) was retained by ATCO Pipelines to perform consulting services in the original proceeding. The fees claimed by ATCO Pipelines for the consulting services provided by Mr. Earl Robinson and Mr. David Sheffer relate to preparing a depreciation study, drafting IR responses, drafting rebuttal evidence and reviewing argument and reply argument.

15. While the Commission finds that that the services performed by Mr. Robinson and Mr. Sheffer were directly and necessarily related to ATCO Pipelines' participation in the original proceeding, it finds that the fees claimed for these services were excessive as a result of certain conduct that the Commission considers unnecessarily lengthened the proceeding. For example, the Commission finds that the IR responses on issues related to depreciation were not always clear and responsive to the questions. In some cases, Mr. Robinson did not provide a fulsome response to a Commission request until it was repeated in the second round of IRs⁴. In other cases, the Commission found the depreciation evidence provided to be conflicting or confusing.⁵ Certain relevant and material information, such as the decommissioning study that was relied on in support of the net salvage per cent recommendations, was not provided until requested in IRs.⁶

⁴ See for example Decision 22011-D01-2017, paragraphs 477-478.

⁵ See for example Decision 22011-D01-2017 at paragraphs 619-621.

⁶ Decision 22011-D01-2017, at paras 517 and 527.

The Commission noted concern with ATCO Pipelines' responsiveness in IR responses in its original decision.⁷

16. Accordingly, the Commission approves a reduction of 10 per cent to ATCO Pipelines' claim for consulting fees for AUS in the amount of \$11,828.25. The Commission approves consulting fees for AUS in the amount of \$106,454.25 and disbursements of \$77.20 for a total of \$106,531.45

Stantec Consulting Ltd.

17. Stantec Consulting Ltd. (Stantec) was retained by ATCO Pipelines to perform consulting services in the original proceeding. The fees claimed by ATCO Pipelines for the consulting services provided by Ms. Linda Hayward, Ms. Alison Kirwan, Ms. Lindsay Van Noortwyk, Ms. Jackie Cho, Ms. Melanie Kuhl, Mr. Miguel Marcoux, Mr. Derek Magee, Ms. Shannon Parsons, Mr. Daniel Yoshiaska, Ms. Karee Harms, Ms. Wanda Terlecki and Mr. Jonathon Kovacik, relate to drafting an assessment of the decommissioning costs for ATCO Pipelines' Salt Caverns Gas Storage Facility. A further five hours were claimed for administrative support.

The Commission did not accept the application of the decommissioning study in the original proceeding and did not rely on the decommissioning study as support for the proposed net salvage changes for underground storage assets. Based on the Commission's findings with respect to the Stantec decommissioning study in the original proceeding, the Commission is not satisfied that all of the costs associated with the study are reasonable and directly and necessarily related to the proceeding and that the study contributed to a better understanding of the issues before the Commission. Moreover, the Commission finds the lack of detailed descriptions of the work performed by Stantec limiting in assessing the reasonableness of these costs. Accordingly, the Commission approves a 25 per cent reduction to ATCO Pipelines' claim for consulting fees for Stantec in the total amount of \$12,294.63. The Commission approves consulting fees for Stantec in the total amount of \$36,883.88.

Underscore Consulting

18. Underscore Consulting Inc. (Underscore) was retained by ATCO Pipelines to perform consulting services in the original proceeding. The fees claimed by ATCO Pipelines for the consulting services provided by Mr. Alex Reed relate to drafting a report on the abandonment process. The Underscore study was a component of the overall decommissioning assessment.

19. Based on the Commission's findings with respect to the decommissioning study in the original proceeding, the Commission approves a 25 per cent reduction to ATCO Pipelines' claim for consulting fees for Underscore in the total amount of \$2,325.00. The Commission approves consulting fees for Underscore in the amount of \$6,975.00 and disbursements of \$1,000.00 for a total of \$7,975.00.

⁷ Decision 22011-D01-2017, at para 36.

Total amount awarded

20. For the reasons provided above, the Commission approves ATCO Pipelines' claim for recovery of costs in the total amount of \$514,781.18. This amount is composed of legal fees of \$325,301.00, consulting fees of \$183,992.43 and disbursements of \$5,487.75.

2.2 Consumers' Coalition of Alberta

21. The following table summarizes the CCA's costs claim:

Claimant	Hours			Fees	Disbursements	GST	Total
	Preparation	Attendance	Argument				
CCA							
Wachowich & Company	35.40	0.00	17.00	\$18,340.00	\$0.00	\$917.00	\$19,257.00
Regulatory Servies Inc.	130.60	0.00	150.90	\$74,686.25	\$42.60	\$3,736.44	\$78,465.29
Total	166.00	0.00	167.90	\$93,026.25	\$42.60	\$4,653.44	\$97,722.29

22. The Commission finds that the CCA acted responsibly in the original proceeding and contributed to a better understanding of the relevant issues in the proceeding.

Wachowich & Company

23. The CCA was represented by Wachowich & Company in the original proceeding. The fees claimed by the CCA for the legal services provided by Mr. James Wachowich relate to reviewing the application, reviewing earlier GRA decisions, drafting IRs, and reviewing argument and reply argument.

24. The Commission finds that the services performed by Mr. Wachowich were directly and necessarily related to the CCA's participation in the original proceeding, and that the fees, which were claimed in accordance with the Scale of Costs for those services, are reasonable. Accordingly, the Commission approves the CCA's claim for legal fees for Wachowich & Company in the amount of \$18,340.00 and GST of \$917.00 for a total of \$19,257.00.

Regulatory Services Inc.

25. Regulatory Services Inc. was retained by the CCA to perform consulting services in the original proceeding. The fees claimed by the CCA for the consulting services provided by Mr. Jeffrey Jodoin, Mr. Dan Popowich and Mr. Jan Thygesen relate to reviewing the original application, drafting IRs, reviewing IR responses, drafting evidence, reviewing ATCO Pipeline's evidence, and drafting argument and reply argument.

26. The Commission finds that the services performed by Mr. Jodoin, Mr. Popowich and Mr. Thygesen were directly and necessarily related to the CCA's participation in the original proceeding, and that the fees and disbursements, which were claimed in accordance with the Scale of Costs for those services, are reasonable. Accordingly, the Commission approves the CCA's claim for consulting fees for Regulatory Services Inc. in the amount of \$74,686.25, disbursements for photocopying of \$42.60 and GST of \$3,736.44 for a total of \$78,465.29.

Total amount awarded

27. For the reasons provided above, the Commission approves the CCA's claim for recovery of costs in the total amount of \$97,722.29. This amount is composed of legal fees of \$18,340.00, consulting fees of \$74,686.25, disbursements of \$42.60 and GST of \$4,653.44.

3 Order

28. It is hereby ordered that:

- 1) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., shall pay external costs in the amount of \$514,781.18
- 2) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$97,722.29
- 3) ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd., shall record in its Reserve for Hearing Costs approved external and intervener amounts of \$612,503.47.

Dated on November 7, 2017.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member