

THE PROVINCE OF ALBERTA

PUBLIC UTILITIES BOARD ACT

ALBERTA ENERGY AND UTILITIES BOARD

IN THE MATTER of AltaGas Utilities Inc.
Disposition of Gas Storage Contracts

UTILITY COST ORDER 2002-49

Application No.: 1256980
Cost File No.: 8000-1256980 (01)
Board File No.: 6401-8

By letter dated February 12, 2002, AltaGas Utilities Inc. (AltaGas) applied to the Alberta Energy and Utilities Board (Board) for permission to assign the rights to certain gas storage contracts under section 26(2)(d) of the *Gas Utilities Act*, RSA 2000, thereby removing the use of these contracts from AltaGas' deferred gas account and gas cost recovery rate methodology.

In its letter of February 12, 2002, AltaGas confirmed that it had reached an agreement with its customer representatives: the Urban Municipalities, the Consumers' Coalition of Alberta, the Energy Users Association of Alberta, and the Municipal Gas Co-op Interveners.

The panel members assigned to this matter were B.T. McManus, Q.C. (Presiding Member), T. McGee (Board Member), and J.D. Dilay, P.Eng. (Board Member). On February 28, 2002 the Board issued Decision 2002-022.

On April 18, 2002 the Board received a cost claim from AltaGas totaling \$8,917.75 including actual GST of \$333.65.

The Board's authority to award costs is derived from section 68 of the *Public Utilities Board Act*, 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.
- (2) 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. The Board will also have regard for the *Scale of Costs*, which sets a cap on professional fees and outlines those disbursements that will be considered for reimbursement.

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, AltaGas 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 \$333.65 as shown in column (d) of Schedule "A". The GST allowed by the Board may also be charged against AltaGas' 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. E-13.

THEREFORE IT IS HEREBY ORDERED THAT:

- 1) AltaGas Utilities Inc. shall pay intervener costs in the amount of \$8,917.75 as set out in column (e) of Schedule "A".
- 2) AltaGas Utilities Inc. shall record in its Hearing Cost Reserve Account the allowed intervener costs in the amount of \$8,917.75, as set out in column (e) of Schedule "A"

MADE at the City of Calgary, in the Province of Alberta, this 7th day of June, 2002.

ALBERTA ENERGY AND UTILITIES BOARD

Original Signed by Thomas McGee

Thomas McGee

AltaGas Utilities Inc.
Application No.: 1256980

Summary of Total Costs Claimed and Awarded

	Total Fees, Disbursements, and GST (a)	Total Fees Awarded (b)	Total Disbursements Awarded (c)	Total GST Awarded (d)	Total Fees, Disbursements, and GST (e)
Applicant					
AltaGas Utilities					
AltaGas Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Urban Municipalities					
Bryan & Company	\$1,380.96	\$1,325.00	\$15.74	\$40.22	\$1,380.96
Robert L. Bruggeman Regulatory Consulting	\$2,472.00	\$2,400.00	\$0.00	\$72.00	\$2,472.00
Sub-Total	\$3,852.96	\$3,725.00	\$15.74	\$112.22	\$3,852.96
Municipal Gas Co-Op Interveners					
Campbell Ryder Consulting Group Ltd.	\$2,763.72	\$2,662.50	\$20.72	\$80.50	\$2,763.72
Brownlee Fryett	\$264.71	\$250.00	\$7.00	\$7.71	\$264.71
Sub-total	\$3,028.43	\$2,912.50	\$27.72	\$88.21	\$3,028.43
Consumers' Coalition of Alberta					
Professional Regulatory Services, Inc.	\$1,418.43	\$1,280.00	\$45.64	\$92.79	\$1,418.43
Wachowich & Company	\$617.93	\$577.50	\$0.00	\$40.43	\$617.93
Sub-Total	\$2,036.36	\$1,857.50	\$45.64	\$133.22	\$2,036.36
TOTAL INTERVENER COSTS	\$8,917.75	\$8,495.00	\$89.10	\$333.65	\$8,917.75
TOTAL COSTS	\$8,917.75	\$8,495.00	\$89.10	\$333.65	\$8,917.75