

**THE PROVINCE OF ALBERTA**

***PUBLIC UTILITIES BOARD ACT***

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of AltaGas Utilities Inc. and  
Bonnyville Gas Company Limited  
General Rate Application for Test Years  
2000, 2001, 2002 – Compliance Filing

**UTILITY COST ORDER 2002-67**

Application Number: 1237650  
Cost File Number: 8000-1237650 (03)  
Board File Number: 1402-8

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**1. DECISION**

By letter dated September 29, 2000, AltaGas Utilities Inc. (AltaGas) and Bonnyville Gas Company Limited (Bonnyville) (collectively, AUI) filed a 2000/2001/2002 General Rate Application (GRA or the Application) with the Alberta Energy and Utilities Board (the Board).

In a letter dated October 23, 2001, AUI indicated that the parties had reached agreement on all issues raised in the Phase I portion of the GRA, with the exception of Rate of Return on Common Equity and Capital Structure.

On November 14, 2001, AUI filed a “Memorandum of Agreement” in support of the Phase I portion of the GRA, setting out details of these unresolved issues and other matters agreed in the Negotiated Settlement Process.

The public hearing of Phase I of the proceedings was held on January 10, 2002, for the purpose of considering submissions in support of the Application, including the unresolved issues to be adjudicated, and to consider any submissions from parties objecting to the Application.

The Board concluded its review and examination of the Application and the Memorandum of Agreement and issued Decision 2002-027, dated April 12, 2002. The Board directed AUI to refile on or before May 10, 2002 (subsequently changed to May 17, 2002), complete with sufficiently detailed schedules, incorporating the Board’s findings in Decision 2002-027.

AUI submitted a compliance filing on May 17, 2002 and the Interveners subsequently provided comments. On June 21, 2002 AUI refiled revised schedules and responded to the Interveners concerns. In the Board's letter of July 4, 2002 the Interveners were given until July 12, 2002 to submit any further comments. No further concerns were raised.

The Board received one cost claim with respect to the re-filing from the Urban Municipalities (UM). The cost claim was for the legal fees of Bryan & Company in the amount of \$625.00 and consulting fees of Robert L. Bruggeman Regulatory Consulting Ltd. in the amount of \$1,575.00. The claim also included disbursements of \$5.60 and GST of \$154.39.

On September 6, 2002 a summary of 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 no later than September 20, 2002. The Board did not receive any further cost claims or comments.

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.

...

- (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 UM, bearing in mind the principles specified in the Board's *Scale of Costs*. The Board finds that the participation of UM, for the most part, was 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 disbursements were in accordance with the *Scale of Costs*. Accordingly, the Board directs that the legal fees and disbursements for Bryan & Company and the consulting fees for Robert Bruggeman be approved in full.

The Board did not receive a cost claim from the Consumers Coalition of Alberta (CCA) and therefore any costs incurred by the CCA will not be considered by the Board.

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 \$154.39 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.

## 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) AltaGas Utilities Inc. shall pay intervener costs in the amount of \$2,359.99, 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 \$2,359.99, as set out in column (e) of Schedule "A".

MADE at the City of Calgary, in the Province of Alberta, this 21st day of November, 2002.

ALBERTA ENERGY AND UTILITIES BOARD

*Original Signed by Thomas McGee*

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Thomas McGee

AltaGas Utilities Inc.  
Application No.: 1237650

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)
<b>APPLICANT</b>					
<b>AltaGas Utilities Inc.</b>					
AltaGas Utilities Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sub-Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>INTERVENERS</b>					
<b>Urban Municipalities</b>					
Bryan & Company	\$674.74	\$625.00	\$5.60	\$44.14	\$674.74
Robert L. Bruggeman Regulatory Consulting Ltd.	\$1,685.25	\$1,575.00	\$0.00	\$110.25	\$1,685.25
<b>Sub-Total</b>	<b>\$2,359.99</b>	<b>\$2,200.00</b>	<b>\$5.60</b>	<b>\$154.39</b>	<b>\$2,359.99</b>
<b>TOTAL INTERVENER COSTS</b>	<b>\$2,359.99</b>	<b>\$2,200.00</b>	<b>\$5.60</b>	<b>\$154.39</b>	<b>\$2,359.99</b>
<b>TOTAL COSTS</b>	<b>\$2,359.99</b>	<b>\$2,200.00</b>	<b>\$5.60</b>	<b>\$154.39</b>	<b>\$2,359.99</b>