

**THE PROVINCE OF ALBERTA**

***PUBLIC UTILITIES BOARD ACT***

**ALBERTA ENERGY AND UTILITIES BOARD**

IN THE MATTER of ATCO Gas (South)  
2001/2002 General Rate Application  
Phase I

**UTILITY COST ORDER 2002-69**

Application Number: 2000350  
Cost File Number: 8000-2000350 (01)  
Board File Number: 1307-1

---

**1. DECISION**

By letter dated December 6, 2000, ATCO Gas filed Phase I of a 2001/2002 General Rate Application (GRA) for ATCO Gas South (AGS or the Applicant).

Notice of Hearing for the GRA was mailed to all interested parties on January 4, 2001, and published on January 11, 2001. The public hearing was convened in Edmonton on June 12, 2001 before Board members Dr. B. F. Bietz (Chair), Mr. G. J. Miller, and Ms. C. Dahl Rees. The hearing was completed on June 26, 2001. Registered interveners and the Company were required to file written argument and reply on August 3, 2001 and August 24, 2001 respectively.

The Board considers that the record for this proceeding closed on September 14, 2001. On December 12, 2001 the Board issued Decision 2001-96.

Various participants submitted cost claims totaling \$1,412,241.39 including actual GST of \$67,389.70 with respect to the Proceeding.

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.

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.

### **Cost Submissions from Parties**

The Board has reviewed a joint letter from AGS and ATCO Pipelines South ("APS") dated November 23, 2001, a letter from the City of Calgary (Calgary) dated December 5, 2001, and a joint reply from AGS and APS dated August 8, 2002. In its first letter, AGS argues that Calgary's cost claim in this proceeding should be materially reduced for various reasons. AGS argued that Calgary's intervention was excessively detailed, relied too heavily on external consultants and lawyers, was part of a pattern of excessive intervention by Calgary, cost too much relative to the costs incurred by other interveners, and made improper use of the Board's process. AGS noted that Calgary's costs claimed were twice as high as those claimed by AGS, and four times as high as the amount claimed by all other interveners combined, or almost thirteen times as high as the average amount claimed by other interveners.

Calgary responded in its letter by arguing that its costs were reasonable and in the public interest. Calgary noted that it was reasonable for Calgary's cost claim to be greater than that of other interveners because Calgary had "taken the lead" in representing consumers at this proceeding. Calgary stated that it was the only intervener presenting evidence in the AGS proceeding on matters such as the level of Operating and Maintenance ("O&M") and Administrative and General ("A&G") expenses, depreciation expense, and income tax. Calgary argued that it is reasonable for Calgary to hire outside counsel and consultants given that Calgary is not in the business of running a natural gas distribution company or a natural gas pipeline company. Calgary explained that the role of the intervener is to "evaluate, test, confirm or challenge the application which has been filed", and that interveners, as respondents, can only respond to the application as it is filed. Calgary noted several instances in which it alleged that AGS's approaches to presentation of evidence had led to increased costs for Calgary.

A letter from counsel for Calgary dated September 21, 2001 indicated that Calgary discussed the issues in this proceeding with other interveners both at the time of AGS's initial filing and throughout the hearing. Also, Bryan and Company for the Municipal Intervenors (MI) noted in a letter dated April 2, 2002, that, in order to avoid duplication, the MI did not file additional evidence, or engage in detailed cross examination, in areas in which Calgary filed evidence.

Because Calgary, in its letter dated December 5, 2001 argued that AGS's approaches to presentation of evidence had led to increased costs, the Board asked AGS to respond to Calgary's letter. AGS replied in a letter dated August 8, 2002. In AGS's reply, AGS noted, among other things, that it is not necessary for AGS to identify all internal costs incurred in connection with a hearing in the context of the Board's cost review. AGS argued that the purpose of the Board's cost review is not to determine the total cost of the hearing; it is to determine what portion of costs not previously assessed is to be recovered through the hearing costs reserve account. AGS noted that AGS's internal costs had already been scrutinized through the GRA process.

### **Board Findings**

In broad terms, the Board finds that parties' participation was generally helpful in this proceeding, with the exceptions noted below.

### **City of Calgary**

The Board agrees in part with Calgary that the role of interveners is to evaluate and test, and, in certain circumstances, to confirm or challenge applications filed with the Board. The Board would add that parties in all proceedings have a role in assisting the Board in understanding and weighing the merits and deficiencies of applications before the Board. The Board also agrees in part with Calgary that on many issues interveners are unable to be proactive but must respond to the application as it is filed. However, the Board notes that its hearings are not intended to be adversarial in the same way that a civil trial is adversarial. The Board generally encourages cooperation between interveners and applicants on procedural matters where possible.

The Board agrees with Calgary's observation that Calgary is not in the business of running a natural gas pipeline or distribution company, and the Board does not expect Calgary to add full time staff to its payroll to deal with the highly specialized matters that arise in utility rate cases. The Board was pleased to note that in this proceeding the two counsel retained by Calgary appeared to be coordinating their efforts with respect to the proceeding to avoid duplication.

The Board also accepts Calgary's observation in its December 5, 2001 letter that Calgary represents a large number of residential and commercial consumers in Calgary, accounting for approximately 70% of the load and revenues of AGS. The Board agrees that Calgary appears to have "taken the lead" for the interveners on many issues in this proceeding, and notes that this may explain to a certain degree why Calgary's cost claim is greater than the cost claims of all of the other interveners.

On some important issues, the Board found Calgary's approach to be helpful. However, the

Board notes that Calgary's counsel and certain experts claimed reimbursement in excess of the *Scale of Costs*. Also, the Board did have concerns with respect to certain aspects of Calgary's intervention. The Board was very concerned with Calgary's method of introducing new evidence during the hearing, as indicated in rulings given during the hearing. The Board also continued to be concerned, as in prior hearings, with Calgary's excessively detailed approach with many issues, as demonstrated in a number of their Information Requests (IRs) to AGS, and in cross examination of AGS's witnesses. This type of approach does not provide any particular analytical focus for the Board to consider in weighing the evidence. For these reasons, the Board does not consider it reasonable to pass on the entire amount of Calgary's cost claim to customers, and directs the reductions in Calgary's cost claim set out below.

### **Claims made in Excess of the Scale of Costs**

The Board notes that Patricia Quinton-Campbell of Burnet, Duckworth & Palmer (BDP) claimed for 642.9 hours of work. 65.8 hours was for work done subsequent to August 1, 2001 and as such the rate of \$250.00 per hour is in excess of the Board's *Scale of Costs* (65.8 hrs x \$250.00 = \$16,450.00). For Ms. Quinton-Campbell's years of experience the maximum hourly rate allowed is \$220.00. (65.8 hours x \$220.00 = \$14,476.00). While the Board did review the justification provided with respect to Ms. Quinton-Campbell's claim in excess of the *Scale of Costs*, the Board does not consider that the scope or complexity of the issues in this proceeding merit an award of costs to Ms. Quinton-Campbell above the *Scale of Costs*. Accordingly, the Board will reduce the fees claimed by Ms. Quinton-Campbell by \$1,974.00 (\$16,450.00 - \$14,476.00). The total costs approved for BDP are set out below.

The Board notes that Mr. Vander Veen of Energy Group Inc. claimed a total of 366 hours at the hourly rate of \$160.00US, which is shown in Calgary's cost claim as \$90,047.08 Canadian. 342 hours was for work done prior to August 1, 2001 and, based on the *Scale of Costs*, the maximum hourly rate allowed by the Board for work done at that time is \$225.00 (342 hours x \$225.00 = \$76,950.00). 24 hours was for work done subsequent to August 1, 2001 and the maximum hourly rate for work done at that time, based on the new *Scale of Costs*, is \$250.00 (24 hours x \$250.00 = \$6,000.00). The Board's *Scale of Costs* is set in Canadian dollars, regardless of the currency in which experts bill the interveners. Although the Board did review the justification provided with respect to Mr. Vander Veen's claim in excess of the *Scale of Costs*, the Board does not consider that the scope or complexity of the issues in this proceeding merit an award of costs to Mr. Vander Veen above the *Scale of Costs*. Accordingly, the Board will reduce the fees claimed by Mr. Vander Veen from \$90,047.08 to \$82,950.00 (\$76,950.00 + \$6,000.00).

Berkowitz & Associates claimed for the work of two consultants. 340.75 hours were claimed at an hourly rate of \$275.00. Upon review of the Statements of Accounts provided, 337.25 hours was for work done prior to August 1, 2001. The maximum allowable rate for work done at that time is \$225.00 per hour (337.25 hours x \$225.00 = \$75,881.25). 3.5 hours was for work done subsequent to August 1, 2001. The maximum allowable rate based on the years of experience for these consultants is \$250.00 per hour (3.5 hours x \$250.00 = \$875.00). Although the Board reviewed the justification submitted by Calgary for the claims for Messrs. Booth and Berkowitz being in excess of the *Scale of Costs*, the Board does not consider that the nature of the evidence given by Messrs. Booth and Berkowitz was significantly unique or complex to warrant a claim in

excess of the *Scale of Costs*. Accordingly, the Board will reduce the claim of Berkowitz & Associates to within the *Scale of Costs* by \$16,950.00, which is the difference between the amount claimed and the amount allowed by the applicable *Scales of Costs* for work done prior to and after August 1, 2001. The Board notes that Dr. Booth testified at the hearing and that it was the first time that he had assessed the business risk of a gas LDC in the province of Alberta.<sup>1</sup> Section 55(1)(b) of the Alberta Energy and Utilities Board *Rules of Practice* states that the Board may award costs if a participant, among other things, “contributed to a better understanding of the issues before the Board.” The Board considers that the materials submitted by Drs. Booth and Berkowitz were inadequate in terms of their analysis of the business risk faced by an Alberta utility. Thus, the materials submitted were deficient in terms of contributing to a better understanding of the issues before the Board. Accordingly, the Board directs that the professional fees claimed by Berkowitz and Associates be reduced by a further \$2,000.00.

The calculation of the costs claimed by Berkowitz & Associates is as follows:

$\$75,881.25 + \$875.00 = \$76,756.25$ , being costs adjusted as per the *Scales of Costs*;  
 $\$76,756.25 - \$2,000.00 = \$74,756.25$ , being the allowed costs after further reduction

Based on the above, the Board approves professional fees for Berkowitz & Associates in the amount of \$74,756.25, plus disbursements of \$5,950.56. GST for this party has been adjusted accordingly as outlined in Schedule “A” attached.

In Decision 2001-96 the Board noted that the nature of the evidence of all of the expert witnesses on return on equity was of little probative value to the Board,<sup>2</sup> and that the range of basis points proposed by all the experts on this issue were “outside what the Board would consider to be reasonable.”<sup>3</sup> While the Board will not further reduce Berkowitz & Associates’ fees in this proceeding on this basis, the Board may find it appropriate to do so in cost orders for future proceedings if return on equity experts continue to present evidence and proposals that are of little assistance to the Board.

### **Use of Preparation Time and Hearing Time**

On several occasions during this proceeding Calgary made inefficient use of hearing time by seeking to introduce substantive new evidence through cross examination or in opening statements for its witness panels which Calgary could have filed prior to the deadline for filing intervenor evidence before the oral hearing. The Board noted its discomfort with this practice in two rulings during the proceeding.<sup>4</sup> An example is a series of charts on no-cost capital which Calgary prepared and put to the AGS witnesses. The data used to generate these calculations was available prior to the hearing. Counsel for AGS objected to the charts being put to the witnesses and the Board required Calgary to set out in narrative form the concept that it was trying to adduce. While the Board ultimately accepted Calgary’s narrative explanation, the Board did note in its ruling on this issue on June 26, 2001 that it expected that any new material

---

<sup>1</sup> AGS 2001-02 GRA Phase I (AGS GRA) Transcript, page 43.

<sup>2</sup> Page 57

<sup>3</sup> Page 58

<sup>4</sup> AGS GRA Transcript, pages 1603-1605, and 1446-1448.

would be filed in advance of an oral hearing in accordance with the schedule set for filing evidence and that in future it would be more strict with attempts to file substantive new evidence in the course of a hearing after the deadlines for filing evidence had passed.<sup>5</sup>

On many issues, Calgary seemed more concerned with catching small errors in AGS's evidence rather than pursuing a strategic approach to testing the Applicant's evidence, such as pursuing a theory or challenging a particular approach taken by AGS. The Board considers that interveners should be mindful of whether their approach would be helpful to the Board in deciding the issues before it in the application, before spending time and money pursuing a matter. A review of accounts line by line without reference to a broader perspective is not necessarily a valuable exercise. The Board notes that in future cases it would be more helpful if Calgary could propose solutions or alternative mechanisms in areas where Calgary identifies problems in a utility's filings, although the Board has not penalized Calgary in this cost order for not proposing solutions to problems identified.

The Board had earlier expressed concerns about Calgary's excessively detailed approach to certain issues, and about the overall size of Calgary's cost claim, in Cost Order CO 2000-25.<sup>6</sup>

The Board considers that the following IRs asked by Calgary are examples where Calgary's IRs went to a level of detail that was not helpful to the Board in deciding the issues: CAL-ATCO GAS.58, CAL-ATCO GAS.114, and CAL-ATCO GAS.130.

CAL-ATCO GAS.58 related to studies regarding share offerings, common share issues, and price per share. These studies were not helpful to the Board.

CAL-ATCO GAS. 114 went into an excessive level of detail regarding numbers of full time equivalent employees (FTEs) at ATCO Gas and Pipelines Ltd. (AGPL), ATCO Gas (South), ATCO Gas (North), ATCO Pipelines, and ATCO Pipelines (South). AGS indicated in its response that the answers to many of these questions were given in response to other IRs. The Board considers that in this case Calgary could have asked broader questions to acquire a more useful overview of the FTE situation.

CAL-ATCO GAS.130 related to the procedure for forecast of capital expenditures. Calgary asked for detailed information regarding each forecast capital expenditure. AGS responded by stating that the question was too broad to prepare a response. The Board notes that AGS's forecast Capital Expenditures totaled \$51,569,000.00 for 2001 and \$48,181,000.00 for 2002. The Board considers that Calgary's approach was not helpful in that it was too broad. Some of the forecast capital expenditures were at levels as low as \$4,000.00 or \$5,000.00. The Board believes Calgary could have more effectively used participants' time by being more selective in its IRs. For example, Calgary could have asked for these details for all forecast capital expenditures over a threshold amount, or asked for information relating to only a few

---

<sup>5</sup> AGS GRA Transcript, pages 1603-1605.

<sup>6</sup> Relating to Canadian Western Natural Gas Company Ltd.'s (CWNG) 1997 Review of Capital Structure and Return on Common Equity Application, CWNG's 1998 General Rate Application (Phase I) and CWNG's 1999 Interim Rates Application

representative categories of capital expenditure.

The Board considers that on a number of issues, Calgary's approach in cross examination of AGS witnesses was excessively detailed and unfocused. For example, on two hearing days Calgary asked numerous detailed questions about the corporate structure of AGPL. While the Board understands that AGPL's corporate reorganization may have raised some issues, the Board notes that AGS had already provided information on this issue in an IR response prior to the hearing. The Board questions whether it was necessary for Calgary to pursue this issue to the extent that it did in the oral hearing. At the hearing, the Chairman questioned counsel for Calgary as to the objective of the questioning, and suggested that Calgary focus on specific questions in this area.<sup>7</sup>

Similarly, at the hearing, Calgary asked a series of detailed questions relating to the number of square feet of office space rented in Edmonton and Calgary. One of the questions related to why AGS had rented an additional 480 square feet in an office building.<sup>8</sup> Again, the Board considers that this line of questioning was taken to a level of detail that was not helpful. A further example is found in Calgary's series of questions regarding affiliate agreements. Calgary's questions on Records Management were detailed to the point of asking for an explanation of fees of \$6,925.00 for a clerk.<sup>9</sup> Again, the Chairman asked about the level of detail being pursued by Calgary.<sup>10</sup> On both the square footage issue and the Records Management issue, as well as on many other issues, Calgary did not propose a theory in final argument with respect to the detailed information generated through questioning, nor was it apparent to the Board what purpose was served by the detailed questioning.

Section 55(2)(h) of the Board's *Rules of Practice* provides that the Board may, in assessing costs, consider whether a participant "engaged in conduct that unnecessarily lengthened the duration of the proceeding or resulted in unnecessary costs." The Board does not consider that any one of these examples of excessively detailed IRs or excessively detailed questioning, taken in isolation, would be objectionable from a cost perspective. However, these are only a few examples of an approach taken by Calgary on a number of issues in this and prior proceedings. The Board recognizes that parties are to be afforded the opportunity to conduct their cases as they wish, and the Board is generally hesitant to curtail parties' efforts in this regard. However, in this case, the Board does consider that Calgary's misuse of hearing and preparation time and its consistent pursuit of trivial details that ultimately proved to be unhelpful, constituted conduct that resulted in unnecessary costs as provided for by section 55(2)(h).

Accordingly, the Board considers that it is not appropriate to require AGS's customers to pay the entire amount claimed by Calgary. The Board considers that BDP, as both the coordinator of the intervention and the firm conducting cross examination, must take primary responsibility for the inefficient use of hearing and preparation time, both by seeking to introduce substantive new evidence at inappropriate times, and for the excessive and unhelpful level of detail in preparation and in cross examination of the Applicant. Accordingly, the Board finds that a reduction of 25%

---

<sup>7</sup> AGS GRA Transcript, pages 359-360.

<sup>8</sup> AGS GRA Transcript, page 816.

<sup>9</sup> AGS GRA Transcript, page 847.

<sup>10</sup> AGS GRA Transcript, pages 847-848.

to the fees claimed by BDP is appropriate. The Board therefore directs that the fees claimed by BDP be reduced by this amount after BDP's fees have been reduced down to the *Scale of Costs* as indicated above. The professional fees approved for BDP are calculated as follows:

$\$256,460.00 - \$1,974.00 = \$254,486.00$ , being fees adjusted as per the *Scale of Costs*;  
 $\$254,486.00 \times .25 = \$63,621.50$ , being a reduction of 25% of professional fees  
 $\$254,486.00 - \$63,621.50 = \$190,864.50$ , being the professional fees approved

The total professional fees approved for BDP are in the amount of \$190,864.50 plus disbursements of \$33,126.32. GST for this party has been adjusted accordingly as outlined in Schedule "A" attached.

The Board also notes that Calgary's Cost Claim indicates that Mr. Vander Veen, of Energy Group Inc., and Mr. Hugh Johnson of the firm Stephen Johnson were both retained to provide assistance and evidence regarding revenue requirement matters generally, with each being also responsible for particular areas as well. The Board considers that Mr. Vander Veen and Mr. Johnson must also bear some of the responsibility for the excessively detailed approach taken by Calgary. Accordingly, the Board finds a reduction of 15% to the professional fees claimed by Mr. Vander Veen and by Stephen Johnson is appropriate.

Based on the above, the Board directs that the fees claimed by Mr. Vander Veen be reduced by 15% after the fees have been reduced down to the *Scale of Costs* as indicated above. The professional fees approved for Mr. Vander Veen are calculated as follows:

$\$82,950.00$ , being fees adjusted as per the *Scale of Costs*  
 $\$82,950.00 \times .15 = \$12,442.50$ , being a reduction of 15% of professional fees  
 $\$82,950.00 - \$12,442.50 = \$70,507.50$ , being the professional fees approved

The total professional fees for Mr. Vander Veen are approved in the amount of \$70,507.50, plus disbursements of \$2,488.42. GST for this party has been adjusted accordingly as outlined in Schedule "A" attached.

Based on the above, the Board directs that the fees claimed by Mr. Hugh Johnson of the firm Stephen Johnson be reduced by 15%. The professional fees approved for Stephen Johnson are calculated as follows:

$\$92,650.00 \times .15 = \$13,897.50$ , being a reduction of 15% of professional fees  
 $\$92,650.00 - \$13,897.50 = \$78,752.50$ , being the professional fees approved

The total professional fees for Stephen Johnson are approved in the amount of \$78,752.50, plus disbursements of \$339.25. GST for this party has been adjusted accordingly as outlined in Schedule "A" attached.

Taking all of the foregoing into consideration, the total costs approved for Calgary, including fees, disbursements, and GST, are \$594,965.49, all of which are outlined in Schedule "A" attached.

**Industrial Gas Consumers Association of Alberta (IGCAA)**

The Board has reviewed the claim of this party and notes that Mr. Bernard Roth of Fraser Milner Casgrain LLP claimed 4.35 hours at \$250.00 per hour for work done prior to August 1, 2001. This rate is in excess of the Board's old *Scale of Costs* which applied at the time these hours were spent on the file. While the Board reviewed IGCAA's argument that it ought to apply the new *Scale of Costs*, the Board considers that its approach in applying the old *Scale of Costs* to work performed prior to August 1, 2001, and the new *Scale of Costs* to work performed after August 1, 2002 is appropriate. Accordingly, the Board will reduce Mr. Roth's cost claim for fees from \$1,087.50 to \$978.75 (4.35 hours x \$225.00 = \$978.75). The Board find that the fees claimed by Ms. Lori Wist are reasonable and within the *Scale of Costs* and directs that they be approved in the amount of \$1,495.00.

The total costs approved for IGCAA, including disbursements of \$69.75, are \$2,543.50 as outlined in column (e) of Schedule "A" attached.

**ATCO Gas South (AGS)**

The Board notes that AGS's expert witness for return on equity, Kathleen McShane, submitted a detailed analysis of 17 companies based on the comparable earnings test even though she herself expressed the view that the results of the comparable earnings test were of limited reliability. In Decision 2000-9, the Board stated that for various reasons the Board gave "little weight to the comparable earnings test" for the purpose of determining an appropriate rate of return.<sup>11</sup> Ms. McShane was also a witness in that proceeding.

Section 55(2)(h) of the Board's *Rules of Practice* states that in assessing costs, the Board may consider whether a participant "engaged in conduct that unnecessarily lengthened the duration of the proceeding or resulted in unnecessary costs." The Board considers that a reduction to Foster & Associates Ltd.'s fees is appropriate based on the unnecessary costs incurred for time spent on an analysis based on a test generally recognized to be of limited reliability. Ms. McShane's firm, Foster & Associates Ltd. claimed a total of \$88,054.31 in professional fees. The Board considers that a reduction of \$10,000.00 is appropriate. Therefore, the Board directs that an award of \$78,054.31 be approved for professional fees for Foster & Associates Ltd. (\$88,054.31 - \$10,000.00 = \$78,054.31).

In Decision 2001-96 the Board noted that the nature of the evidence of all of the expert witnesses on return on equity was of little probative value to the Board,<sup>12</sup> and that the range of basis points proposed by all the experts on this issue were "outside what the Board would consider to be reasonable."<sup>13</sup> While the Board will not further reduce Foster & Associates Ltd.'s fees in this proceeding on this basis, the Board may find it appropriate to do so in cost orders for future proceedings if return on equity experts continue to present proposals that are outside the bounds

---

<sup>11</sup> Canadian Western Natural Gas Company Limited 1997 Return on Common Equity and Capital Structure and 1998 GRA Phase I, page 64.

<sup>12</sup> Page 57

<sup>13</sup> Page 58

of reasonable judgment and not helpful to the Board.

The Board has reviewed the disbursements claimed by this party and finds that they are reasonable and within the *Scale of Costs* and directs that they be awarded in full. The total amount awarded to Foster & Associates Ltd., including the disbursements of \$4,885.01, is \$82,939.32 as outlined in column (e) of Schedule "A" attached.

The Board has reviewed the remaining claim by AGS and finds that the professional fees and disbursements being claimed are all reasonable and within the *Scale of Costs* and directs that they be approved in full. The Board therefore directs that AGS be awarded costs for professional fees in the amount of \$222,255.81 and disbursements in the amount of \$74,787.51 for a total award of \$297,043.32, as outlined in column (e) of Schedule "A" attached.

### **Other Parties**

The Board has reviewed the costs submitted by the remaining participants, as set out in Schedule "A", bearing in mind the principles specified in the Board's *Scale of Costs*. The Board finds that, except as noted above, the participation of the parties 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, except as noted above, were in accordance with the *Scale of Costs*. Accordingly, except as noted above, the Board considers the claims for fees and disbursements for all participants to be reasonable. The Board approves the amounts set out in Schedule "A" attached.

In accordance with the Board's treatment of the GST on cost awards, AGS 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 \$25,665.61 as shown in column (d) of Schedule "A". The GST allowed by the Board may also be charged against the Applicant'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., 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 (South) shall pay intervener costs in the amount of \$945,382.65, as set out in column (e) of Schedule "A".
- 2) ATCO Gas (South) external costs in the amount of \$297,043.32, as set out in column (e) of Schedule "A", are approved.

- 3) ATCO Gas (South) shall record in its Hearing Cost Reserve Account the allowed external Applicant and intervener costs in the amount of \$1,242,425.97, as set out in column (e) of Schedule "A".

MADE at the City of Calgary, in the Province of Alberta, this 11 day of October, 2002.

**ALBERTA ENERGY AND  
UTILITIES BOARD**

*<Original signed by>*

---

Dr. B. F. Bietz (Chair)

*<Original Signed by G.J. Miller>*

---

G. J. Miller (Board Member)

*<Original Signed by C. Dahl Rees>*

---

C. Dahl Rees (Acting Member)

**ATCO Gas South  
Application No.: 2000350**

**Summary of Total Costs Claimed and Awarded**

	<b>Total Amount Claimed (a)</b>	<b>Total Fees Awarded (b)</b>	<b>Total Disbursements Awarded (c)</b>	<b>Total GST Awarded (d)</b>	<b>Total Fees, Disbursements, and GST Awarded (e)</b>
<b>Applicant</b>					
<b>ATCO Gas South</b>					
ATCO Gas South	\$57,196.16	\$0.00	\$57,196.16	\$0.00	\$57,196.16
Bennett Jones	\$122,378.08	\$113,714.00	\$8,664.08	\$0.00	\$122,378.08
AUS Consultants	\$6,940.98	\$6,862.50	\$78.48	\$0.00	\$6,940.98
Foster & Associates	\$92,939.32	\$78,054.31	\$4,885.01	\$0.00	\$82,939.32
PA Consulting Services	\$27,588.78	\$23,625.00	\$3,963.78	\$0.00	\$27,588.78
<b>Sub-Total</b>	<b>\$307,043.32</b>	<b>\$222,255.81</b>	<b>\$74,787.51</b>	<b>\$0.00</b>	<b>\$297,043.32</b>
<b>Interveners</b>					
<b>Public Institutional Consumers of Alberta (PICA)</b>					
Nancy McKenzie - Legal Counsel	\$16,479.22	\$15,350.00	\$51.14	\$0.00	\$15,401.14
Energy Management & Regulatory Consulting Ltd.	\$9,404.75	\$4,080.00	\$5,324.75	\$0.00	\$9,404.75
Liddle Engineering	\$23,362.04	\$22,137.50	\$1,224.54	\$0.00	\$23,362.04
<b>Sub-Total</b>	<b>\$49,246.01</b>	<b>\$41,567.50</b>	<b>\$6,600.43</b>	<b>\$0.00</b>	<b>\$48,167.93</b>
<b>Aboriginal Communities</b>					
Ackroyd, Piasta, Roth & Day	\$8,132.00	\$7,600.00	\$0.00	\$0.00	\$7,600.00
Graves Engineering Corporation	\$11,315.25	\$10,575.00	\$0.00	\$0.00	\$10,575.00
<b>Sub-Total</b>	<b>\$19,447.25</b>	<b>\$18,175.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$18,175.00</b>

**ATCO Gas South**  
**Application No.: 2000350**

**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>Municipal Intervenors</b>					
Bryan & Company	\$42,359.28	\$32,422.50	\$7,165.59	\$1,187.72	\$40,775.81
Robert L. Bruggeman	\$41,334.58	\$38,625.00	\$5.45	\$1,158.99	\$39,789.44
<b>Sub-Total</b>	<b>\$83,693.86</b>	<b>\$71,047.50</b>	<b>\$7,171.04</b>	<b>\$2,346.71</b>	<b>\$80,565.25</b>
<b>Industrial Gas Consumers Association of Alberta (IGCAA)</b>					
Fraser Milner Casgrain, LLP	\$2,837.91	\$2,473.75	\$69.75	\$0.00	\$2,543.50
<b>Sub-Total</b>	<b>\$2,837.91</b>	<b>\$2,473.75</b>	<b>\$69.75</b>	<b>\$0.00</b>	<b>\$2,543.50</b>
<b>Alberta Irrigation Projects Association (AIPA)</b>					
Unryn & Associates Ltd.	\$41,814.77	\$33,320.00	\$8,494.77	\$0.00	\$41,814.77
<b>Sub-Total</b>	<b>\$41,814.77</b>	<b>\$33,320.00</b>	<b>\$8,494.77</b>	<b>\$0.00</b>	<b>\$41,814.77</b>
<b>Federation of Alberta Gas Co-ops Ltd. and Gas Alberta Inc.</b>					
Brownlee Fryett	\$29,129.95	\$20,346.25	\$6,878.00	\$0.00	\$27,224.25
Campbell Ryder	\$43,212.05	\$34,912.50	\$5,472.59	\$0.00	\$40,385.09
<b>Sub-Total</b>	<b>\$72,342.00</b>	<b>\$55,258.75</b>	<b>\$12,350.59</b>	<b>\$0.00</b>	<b>\$67,609.34</b>
<b>City of Calgary</b>					
Burnet, Duckworth & Palmer	\$309,825.13	\$190,864.50	\$33,126.32	\$6,720.17	\$230,710.99
Stephen Johnson	\$99,498.50	\$78,752.50	\$339.25	\$2,372.91	\$81,464.66
Energy Group Inc.	\$99,009.00	\$70,507.50	\$2,488.42	\$2,190.02	\$75,185.94
M.K. Berkowitz & Associates	\$106,632.79	\$74,756.25	\$5,950.56	\$2,421.37	\$83,128.18
Proactive Technologies International Inc.	\$1,926.00	\$1,800.00	\$0.00	\$54.00	\$1,854.00
Sproule Associates Limited	\$6,742.50	\$5,130.00	\$1,171.40	\$189.05	\$6,490.45
Gannett Fleming Valuation and Rate Cons.	\$51,906.34	\$47,888.46	\$622.14	\$1,455.42	\$49,966.02
Stephens Consultants Limited	\$68,734.64	\$63,218.75	\$1,019.23	\$1,927.27	\$66,165.25
<b>Sub-Total</b>	<b>\$744,274.90</b>	<b>\$532,917.96</b>	<b>\$44,717.32</b>	<b>\$17,330.21</b>	<b>\$594,965.49</b>

ATCO Gas South  
Application No.: 2000350

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>Consumers' Coalition of Alberta</b>					
Wachowich & Company	\$36,970.37	\$28,455.00	\$6,096.75	\$2,418.62	\$36,970.37
Professional Regulatory Services, Inc.	\$54,571.00	\$50,672.50	\$328.43	\$3,570.07	\$54,571.00
<b>Sub-Total</b>	<b>\$91,541.37</b>	<b>\$79,127.50</b>	<b>\$6,425.18</b>	<b>\$5,988.69</b>	<b>\$91,541.37</b>
<b>Total Intervener Costs</b>	<b>\$1,105,198.07</b>	<b>\$833,887.96</b>	<b>\$85,829.08</b>	<b>\$25,665.61</b>	<b>\$945,382.65</b>
<b>Total Costs</b>	<b>\$1,412,241.39</b>	<b>\$1,056,143.77</b>	<b>\$160,616.59</b>	<b>\$25,665.61</b>	<b>\$1,242,425.97</b>