



**ATCO Pipelines, a division
of ATCO Gas and Pipelines Ltd.**

**Compliance Filing to Decision 2013-064 – 2012 Final
Revenue Requirement**

Costs Award

November 15, 2013

The Alberta Utilities Commission

Decision 2013-411: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.

Compliance Filing to Decision 2013-064 – 2012 Final Revenue Requirement

Costs Award

Application Nos. 1609695, 1609714, and 1609892

Proceeding ID No. 2691

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Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Web site: www.auc.ab.ca

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Application Nos. 1609695, 1609714, and 1609892

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1 Introduction

1. ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. (ATCO Pipelines), filed an application with the Alberta Utilities Commission (the AUC or the Commission) on March 21, 2013, requesting approval of its compliance filing to Decision [2013-064](#),¹ ATCO Pipelines' 2012 final revenue requirement application. The compliance application was required to establish the final revenue requirement for 2012, subject to the remaining placeholders identified in Decision [2010-228](#)² and in Decision 2013-064.

2. By way of an April 11, 2013 letter, the Commission established a written process schedule for the compliance application. Amendments to the process schedule were made on July 25, 2013, to allow for a second round of information requests; and on August 7, 2013, to allow for supplemental reply argument from ATCO Pipelines. The Commission considered close of record for the compliance filing proceeding to be August 13, 2013, the date the Commission received supplemental reply submissions from ATCO Pipelines.

3. On June 20, 2013, the Consumers' Coalition of Alberta submitted a cost application in relation to the compliance filing proceeding.

4. On June 27, 2013, ATCO Pipelines submitted its cost application.

5. In a July 4, 2013 letter, the Commission circulated a summary of costs being claimed 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 filed by July 18, 2013.

6. On August 30, 2013, Decision [2013-326](#)³ was issued with respect to the 2012 final revenue requirement compliance filing application. ATCO Pipelines' 2012 final revenue requirement was approved, subject to certain adjustments and refunds identified in the decision and the finalization of all outstanding 2012 placeholders.

7. In a September 3, 2013 letter, ATCO Pipelines submitted an additional costs claim for expenses that were incurred in response to an additional round of information requests.

¹ Decision 2013-064: ATCO Pipelines, 2012 Final Revenue Requirement Application, Application No. 1608689, Proceeding ID No. 2041, February 28, 2013.

² Decision 2010-228: ATCO Pipelines, 2010-2012 Revenue Requirement Settlement and Alberta System Integration, Application No. 1605226, Proceeding ID No. 223, May 27, 2010.

³ Decision 2013-326: ATCO Pipelines, Compliance Filing to Decision 2013-064 – 2012 Final Revenue Requirement Application, Application No. 1609406, Proceeding ID No. 2511, August 30, 2013.

8. The Consumers' Coalition of Alberta submitted an update to its cost application on September 4, 2013.
9. The Commission circulated a revised summary of costs being claimed to interested parties. Parties were advised that any comments regarding the figures listed in the revised summary of costs, or the merits of the total costs claimed, were to be filed by September 11, 2013. No comments were received from parties on the revised summary of costs.
10. The Commission considers the close of record for this proceeding to be September 11, 2013.

2 Views of the Commission

11. When assessing costs claims pursuant to Section 21 of the *Alberta Utilities Commission Act*, S.A. 2007 c. A-37.2, the Commission applies AUC [Rule 022: Rules on Intervener Costs in Utility Rate Proceedings](#) (Rule 022). Rule 022 also prescribes a *Scale of Costs* applicable to all costs claimed.
12. In exercising its discretion to award costs, the Commission will in accordance with Section 11 of Rule 022, consider whether an eligible participant's costs are reasonable and directly and necessarily related to the proceeding; and whether the eligible participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Commission. To the extent reasonably possible, the Commission will be mindful of a participant's willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.
13. As the costs of a utility proceeding are generally passed on to customers, it is the Commission's duty to ensure that the customers receive fair value for a party's contribution. The Commission only approves those costs that are reasonable and directly and necessarily related to the party's participation in the proceeding.

3 Commission findings

3.1 ATCO Pipelines

14. ATCO Pipelines submitted a costs claim in the total amount of \$13,966.30. The claim is comprised of legal fees for Bennett Jones LLP in the amount of \$13,965.00 for 39.9 hours for legal services and disbursements of \$1.30 for printing charges.
15. The legal hours claimed were incurred for reviewing documentation, and for preparing the application, responses to information requests, argument, and reply argument. ATCO Pipelines requested the maximum hourly rate under the *Scale of Costs* for the three counsel contributing to the 2012 final revenue requirement compliance filing. ATCO Pipelines indicated that a greater number of hours were incurred than would normally be typical in a compliance filing because of additional process steps that were required at the argument stage. Additional process steps were necessary to address new issues raised in argument with respect to the compliance filing application.

16. The Commission has considered the costs claim submitted by ATCO Pipelines bearing in mind the principles specified in the Commission's *Scale of Costs*, as set out in Appendix A to Rule 022. The Commission finds that the hours incurred are reasonable given tasks described in the costs claim for legal support related to the compliance filing. The claim for legal fees was filed in accordance with the *Scale of Costs*. Accordingly, the Commission approves the full amount of the costs claimed for the legal fees of Bennett Jones LLP of \$13,965.00, and disbursements of \$1.30. ATCO Pipelines' costs claim is approved in the total amount of \$13,966.30.

3.2 The Consumers' Coalition of Alberta

17. The Consumers' Coalition of Alberta submitted a costs claim in the total amount of \$13,806.66. The claim is comprised of consulting fees for Regulatory Services Inc. in the amount of \$13,125.00 for 52.5 hours of consulting work performed, disbursements of \$24.20 for photocopying and GST of \$657.46. The hours claimed were related to the consultant's review of the application, preparation of information requests, review of responses to information requests, and preparation of argument and reply argument.

18. The Commission has considered the costs claim submitted by the Consumers' Coalition of Alberta bearing in mind the principles specified in the Commission's *Scale of Costs*, as set out in Appendix A to Rule 022. The Commission finds that the hours incurred are reasonable given tasks described in the costs claim for consulting services related to the issues of depreciation expenses, capital cost allowance, allowance for funds used during construction and other issues related to the application. Accordingly, the Commission approves the Consumers' Coalition of Alberta's claim for fees and GST in the total amount of \$13,806.66.

4 GST

19. In accordance with the Commission's treatment of GST on cost awards, ATCO Pipelines is required to pay only that portion of GST paid that may not be recoverable through the GST credit mechanism. Accordingly, the Commission approves the eligible GST in the amount of \$657.46.

20. The Commission emphasizes that its treatment of the GST claim in no way relieves participants or their consultants from their GST obligations pursuant to the *Excise Tax Act*, R.S.C. 1985, c. E-15.

5 Order

21. It is hereby ordered that:

- (1) ATCO Pipelines shall pay external costs to Bennett Jones LLP in the amount of \$13,966.30.
- (2) ATCO Pipelines shall pay intervener costs to the Consumer's Coalition of Alberta in the amount of \$13,806.66.

Dated on November 15, 2013.

The Alberta Utilities Commission

(Original signed by)

Neil Jamieson
Panel Chair

(Original signed by)

Tudor Beattie
Commission Member