



AltaGas Utilities Inc.

2014 Annual PBR Rate Adjustment Filing

Costs Award

April 4, 2014



The Alberta Utilities Commission

Decision 2014-088: AltaGas Utilities Inc.
2014 Annual PBR Rate Adjustment Filing
Costs Award
Application No. 1610218
Proceeding No. 3003

April 4, 2014

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1 Introduction

1. On September 12, 2012, the Alberta Utilities Commission (AUC or Commission) issued Decision [2012-237](#)¹, approving performance-based regulation (PBR) plans for the distribution utility services of each of AltaGas Utilities Inc. (AUI), ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc. The PBR plans were approved for a five-year term commencing January 1, 2013. PBR replaces traditional cost-of-service regulation as the annual rate-setting mechanism for distribution utility rates.

2. Decision 2012-237 required the companies subject to PBR to submit their respective PBR annual rate adjustment applications on or before September 10th annually for implementation January 1st in the following year.²

3. By letter dated September 9, 2013, AUI requested an extension to September 13, 2013 to file its application. By letter dated September 10, 2013, the Commission granted AUI's requested extension.

4. On September 13, 2013, AUI filed with the Commission its 2014 annual PBR rate adjustment application. The Commission established Proceeding No. 2831 in respect of the AUI application.

5. On September 18, 2013, the Commission issued a notice of application with statements of intent to participate (SIPs) due September 25, 2013. Also on September 18, 2013, AUI filed an updated application and requested parties to disregard the original filing. SIPs were received from ATCO Gas and Pipelines Ltd., the Consumers' Coalition of Alberta (CCA), FortisAlberta Inc., and the Office of the Utilities Consumer Advocate.

6. The Commission considered the close of record for proceeding No. 2831 to be December 23, 2013.

7. On December 20, 2013, the CCA submitted a costs claim application in relation to Proceeding No. 2831.

8. Decision [2013-465](#)³ was issued in Proceeding No. 2831 on December 23, 2013.

¹ Decision 2012-237: Rate Regulation initiative Distribution Performance-Based Regulation, Application No, 1606029, Proceeding ID No. 566, September 12, 2012.

² Decision 2012-237, paragraph 962.

³ Decision 2013-465: AltaGas Utilities Inc., 2014 Annual PBR Rate Adjustment Filing, Application No. 1609923, Proceeding No. 2831, December 23, 2013.

9. In a December 24, 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 January 9, 2014. No comments were received from parties on the summary of costs claimed.

10. The Commission considers the close of record for proceeding No. 3003 to be January 9, 2014.

2 Views of the Commission

11. When assessing costs claims pursuant to Section 21 of the *Alberta Utilities Commission Act*, 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 The Consumers' Coalition of Alberta

14. The CCA submitted a costs claim totalling \$9,570.75. The claim is comprised of consulting fees for Regulatory Services Inc. in the amount of \$7,015.00 and GST of \$350.75, and legal fees for Wachowich & Company in the amount of \$2,100.00 and GST of \$105.00.

15. The Commission has considered the costs claim in accordance with Section 11 of Rule 022 and the Commission's *Scale of Costs*. The Commission finds that the tasks described in the costs claim and the number of hours incurred by legal counsel and consultants are reasonable and that the claims for legal fees and consulting fees were filed in accordance with the *Scale of Costs*. Accordingly the Commission approves:

- legal fees for Wachowich & Company in the amount of \$2,100.00 and GST of \$105.00; and
- consulting fees for Regulatory Services Inc. in the amount of \$7,015.00 and GST of \$350.75,

for a total costs award of \$9,570.75.

4 GST

16. In accordance with the Commission's treatment of GST on cost awards, AUI is required to pay only that portion of GST paid by interveners that may not be recoverable through the GST credit mechanism. Eligible GST approved by the Commission amounts to \$455.75.

17. 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

18. It is hereby ordered that:

- (1) AltaGas Utilities Inc. shall pay intervener costs to the Consumers' Coalition of Alberta in the total amount of \$9,570.75.

Dated on April 4, 2014.

The Alberta Utilities Commission

(original signed by)

Mark Kolesar
Vice-Chair

(original signed by)

Bill Lyttle
Commission Member

(original signed by)

Neil Jamieson
Commission Member