



## **AltaGas Utilities Inc.**

**2013 Net Deficiency and Rider F**

**Costs Award**

**September 25, 2014**



**The Alberta Utilities Commission**

Decision 2014-276: AltaGas Utilities Inc.

2013 Net Deficiency Rider (Rider F)

Costs Award

Application No.1610663

Proceeding No.3288

September 25, 2014

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## **1 Introduction**

1. On January 31, 2014, AltaGas Utilities Inc. (AUI) submitted an application to the Alberta Utilities Commission (AUC or Commission) requesting approval to implement a 2013 capital tracker deficiency rate rider, Rider F, (2013 Net Deficiency Rider application) to be collected in April and May 2014. The 2013 Net Deficiency Rider application was registered as Application No. 1610297, Proceeding No. 3055.

2. On February 4, 2014, the Commission issued a notice of application that required interested parties to submit a statement of intent to participate (SIP) by February 18, 2014. In their SIPs, parties were to indicate whether they supported or objected to the application, reasons for their position, and the need for further process and the supporting rationale.

3. The Commission received SIPs from the Office of the Utilities Consumer Advocate (UCA), FortisAlberta Inc. (Fortis) and ATCO Gas, a division of ATCO Gas and Pipelines Ltd. (ATCO Gas). In their respective SIPs, the UCA and Fortis both indicated that they had no objection to the application. In its SIP, ATCO Gas indicated that it may be effected by the matters raised in the application, but that it was, at that time, unable to determine the extent of its participation in the proceeding. ATCO Electric Ltd. also filed an involved party registration form in the proceeding but did not submit a SIP.

4. On February 21, 2014, the Commission issued Decision [2014-042](#)<sup>1</sup>, granting AUI's request for a Phase II review and variance of Decision [2013-072](#)<sup>2</sup>. The subject of the review and variance was the recovery of AUI's 2012 full-year return, depreciation and interest for Phase One of its Natural Gas Settlement System Code (NGSSC) project.

5. In Decision 2014-042, the Commission directed AUI to file updated application materials for use in the 2013 Net Deficiency Rider application proceeding by March 3, 2014, which were to address the proposed recovery of the shortfall associated with the full-year return, depreciation and interest for phase one of its NGSSC project in 2012.<sup>3</sup>

6. In a February 21, 2014 letter, the Commission also extended the SIP deadline to March 13, 2014, in order to provide interested parties with a further opportunity to assess the extent of their involvement in the revised proceeding.

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<sup>1</sup> Decision 2014-042: AltaGas Utilities Inc., Phase II Review and Variance Decision on Decision 2013-072 2012 Performance-Based Regulation Compliance Filing, Application No.2981, Proceeding No. 1610181, February 21, 2014.

<sup>2</sup> Decision 2013-072: AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., Application No.1608826, Proceeding No. 2130, March 4, 2013.

<sup>3</sup> Decision 2014-042, Paragraph 26.

7. On March 3, 2014, as directed in Decision 2014-042, AUI filed a revised 2013 Net Deficiency rider application with the Commission, requesting approval to implement a 2013 net deficiency rider (Rider F) and included all calculations and associated schedules for its revised application (Revised 2013 net Deficiency Rider Application). The Commission issued a notice of the Revised 2013 Net Deficiency Rider application on March 4, 2014.

8. On March 12, 2014, the Commission received an additional SIP from the Consumers' Coalition of Alberta (CCA). In its SIP, the CCA requested the opportunity to test the application with a process of written information requests, information responses, argument and reply argument.

9. On June 12, 2014, the CCA submitted a costs claim application in relation to the Revised 2013 Net Deficiency Rider application. The Commission assigned Application No.1610663 and Proceeding No. 3288 to the associated costs claim application.

10. On June 17, 2014, the Commission issued a second round of IR's requesting AUI to provide a rate schedule associated with the Revised 2013 Net Deficiency Rider application, with a deadline of June 18, 2014.

11. The Commission, on June 17, 2014, 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 costs claimed, were to be filed by June 30, 2014. No comments were received from parties regarding the summary of costs.

12. On June 18, 2014, AUI filed its response to the Commission's second of round of IR's. No further submissions were made by parties on the application. Accordingly, the Commission considered the close of record for the Revised 2013 Net Deficiency Rider application to be June 18, 2014.

13. On June 20, 2014, the Commission issued Decision [2014-180](#)<sup>4</sup> in respect of the Revised 2013 Net Deficiency Rider application.

14. The Commission considers the close of record for this costs proceeding to be June 30, 2014.

## 2 Commission's authority to award costs

15. When assessing cost 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). Appendix A of AUC Rule 022 also prescribes a *Scale of Costs* applicable to all costs claimed.

16. 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

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<sup>4</sup> Decision 2014-180: AltaGas Utilities Inc., 2013 Net Deficiency and Rider F, Application No. 1610297, Proceeding No. 3055, June 20, 2014.

participant's willingness to co-operate with the Commission and other participants to promote an efficient and cost-effective proceeding.

17. 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 Consumers' Coalition of Alberta**

18. The CCA submitted a costs claim in the total amount of \$5,019.00. The costs claim requested approval of the following costs:

- \$735.00 for Wachowich & Company, which is comprised of legal fees of \$700.00 and GST of \$35.00; and
- \$4,284.00 for Regulatory Services Inc., which is comprised of consulting fees of \$4,080.00 and GST of \$204.00.

19. The claim for Wachowich & Company relates to 2 hours of legal services. The hours claimed include 1 hour for preparation in the proceeding and 1 hour for preparation of argument and reply argument. The Commission finds that the hours incurred are reasonable given the tasks described in the costs claim for legal services and observes that the costs incurred are in accordance with the Commission's *Scale of Costs*. The Commission approves costs for Wachowich & Company in the total amount of \$735.00 composed of \$700.00 in fees and \$35.00 in GST.

20. The claim for Regulatory Services Inc. relates to 16 hours of consulting services. The consulting hours claimed includes, 10.25 hours for preparation and 5.75 hours for review of information responses, preparation of argument and reply argument. The Commission finds that the hours incurred are reasonable given the tasks described in the costs claim for consulting services and observes that the costs incurred are in accordance with the Commission's *Scale of Costs*. The Commission approves costs for Regulatory Services Inc. in the total amount of \$4,284.00, composed of \$4,080.00 in fees and \$204.00 in GST.

21. Accordingly, the Commission approves the CCA's costs claim in the total amount of \$5,019.00.

### **4 GST**

22. In accordance with the Commission's treatment of GST on costs 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 is approved by the Commission in the amount of \$239.00

23. 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**

24. It is hereby ordered that:

- (1) AltaGas Utilities Inc. shall pay intervener costs to the Consumers' Coalition of Alberta in the amount of \$5,019.00.

Dated on September 25, 2014.

**The Alberta Utilities Commission**

*(Original signed by)*

Mark Kolesar  
Vice Chair