

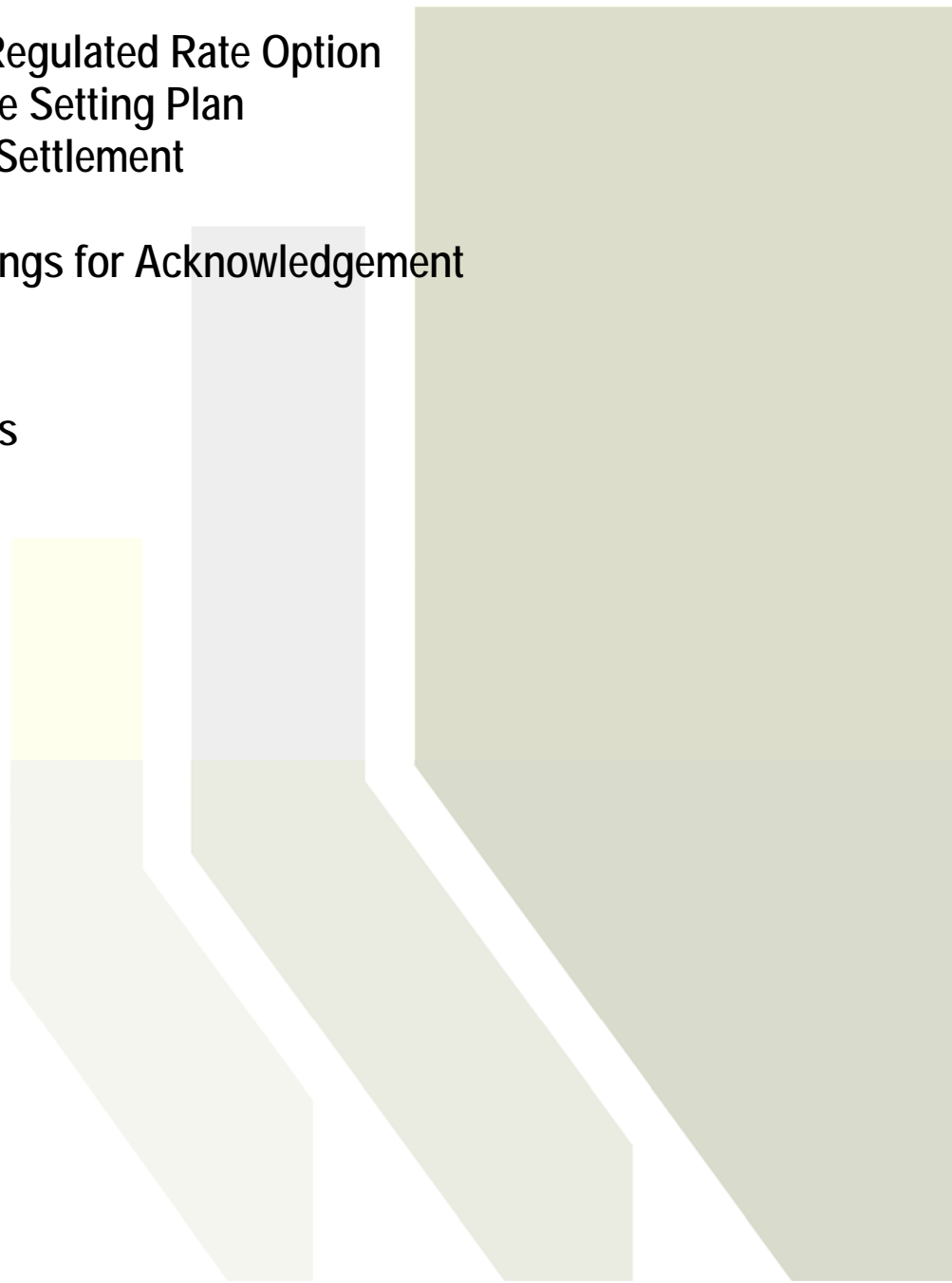


Direct Energy Regulated Services

2006-2011 Regulated Rate Option
Energy Price Setting Plan
Negotiated Settlement

Monthly Filings for Acknowledgement
2009 Q3

Cost Awards



ALBERTA UTILITIES COMMISSION

Utility Cost Order 2010-014: Direct Energy Regulated Services

2006-2011 Regulated Rate Option

Energy Price Setting Plan (Negotiated Settlement)

Monthly Filings for Acknowledgement
(2009 Q3)

Application No. 1454813

Cost Application No. 1474103

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1 INTRODUCTION

1. In Order [U2005-392](#), dated November 1, 2005, the Board granted approval for Direct Energy Regulated Services, (DERS) to commence a Negotiated Settlement Process (NSP) with customer representatives (Consultation Parties) respecting the establishment of an Energy Price Setting Plan (EPSP) for the period July 1, 2006 to June 30, 2011 applicable to Regulated Rate Option (RRO) customers in the service area of ATCO Electric Ltd. in compliance with the Regulated Rate Option Regulation AR 262/2005. By letter dated March 30, 2006 DERS requested approval of a Negotiated Settlement (Settlement Agreement) reached with the Consultation Parties with respect to the EPSP.

2. On April 28, 2006, the Board approved the Settlement Agreement by way of Order [U2006-108](#). The following forms part of the Settlement Agreement as noted at page 2 in U2006-108.

(d) DERS will file not less than 5 Business Days prior to the commencement of each calendar month the Monthly Energy Rates determined under the EPSP with the Board for acknowledgement. These Monthly Energy Rates will be determined in accordance with the methodology prescribed in the Energy Charge Schedule.

3. The Settlement Agreement provided for representatives of the Consultation Parties to the agreement to consult with DERS with respect to forecast energy requirements under the EPSP. For this purpose DERS, on behalf of itself and the Consultation Parties engaged the services of an independent advisor, Forte Business Solutions Ltd. (Forte).

4. Effective January 1, 2008, the Settlement Agreement became subject to the jurisdiction of the Alberta Utilities Commission (Commission), the successor of the Board.

5. This Cost Order considers the costs incurred by Forte and Consultation Parties for the acknowledgement filings of 2009 quarter 3.

6. The Commission received cost claims for 2009 quarter 3 on October 14, 2009, and October 24, 2009.

7. On November 13, 2009, a summary of the costs being claimed for 2009 quarter 3 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 filed by November 27, 2009. The Commission did not receive any comments.

2 VIEWS OF THE COMMISSION – AUTHORITY TO AWARD COSTS

8. When assessing a cost claim pursuant to section 21 of the AUC Act, the Commission applies Rule 022, *Rules on Intervener Costs* (Rule 022). Before exercising its discretion to award costs, the Commission must consider whether the participant acted responsibly and contributed to a better understanding of the issues before the Commission, and whether the costs claimed are reasonable and directly and necessarily related to the proceeding. The Commission considers these factors in light of the scope and nature of the issues in question.

3 VIEWS OF THE COMMISSION – ASSESSMENT

9. The Commission received cost claims for Forte and Consultation Parties in the amount of \$28,225.00 with respect to 2009 quarter 3. Forte submitted a cost claim in the amount of \$27,100.00. Energy Management & Regulatory Consulting Ltd. (EMRC) submitted a cost claim in the amount of \$1,125.00.

10. EMRC first cost claim for 2009 was filed in respect of the second quarter. On December 3, 2009, the Commission sought clarification from EMRC with respect to the submitted costs. EMRC responded on December 4, 2009 indicating that as of the second quarter of 2009 it had assumed responsibility on behalf of the Public Institutional Consumers of Alberta (PICA) for DERS daily bids and approvals by the Consultation Parties as well as, signing off on monthly compliance certificates, replacing a service previously performed by the Consumers Coalition of Alberta (CCA).

11. The Commission has reviewed the cost claims for 2009 quarter 3. Having reviewed the submitted claims and Statement of Justifications dated October 14, 2009, October 24, 2009, the Commission is satisfied that the claims are reasonable and the claims are approved in the full amount.

4 GST

12. In accordance with the Commission's treatment of the GST on cost awards, DERS is required to pay only that portion of the GST paid by participants that may not be recoverable through the GST credit mechanism. Accordingly where parties are eligible for a GST credit the Commission has reduced this particular portion of their claim. Eligible GST approved by the Commission amounts to \$0.00.

13. The Commission 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. 1985, c. E-15.

5 ORDER

IT IS HEREBY ORDERED:

1. Direct Energy Regulated Services shall pay Forte Business Solutions Ltd. costs, with respect to 2009 quarter 3, in the amount of \$27,100.00.

2. Direct Energy Regulated Services shall pay Consultation Party, Energy Management & Regulatory Consulting Ltd. costs, with respect to 2009 quarter 3, in the amount of \$1,125.00.

Dated on February 24, 2010.

ALBERTA UTILITIES COMMISSION

(Original signed by)

Thomas McGee
Commissioner