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April 15, 2008

Alberta Utilities Commission
Fifth Avenue Place
#400, 425-1 Street S.W.
Calgary, Alberta
Canada T2P 3L8

**Attention: Ms. Guiseppa Bentivegna
Commission Counsel**

Dear Ms. Bentivegna:

**RE: Alberta Utilities Commission
Bulletin 2008-01, Review of Rule 022, Rules on Intervener Costs
Comments of NOVA Gas Transmission Ltd. (“NGTL”)**

By Bulletin 2008-01 dated March 20, 2008, the Alberta Utilities Commission (“AUC”) sought the views of parties on Rule 022, *Rules on Intervener Costs* (“Rules”). NGTL provides its comments below with respect to the recovery of costs associated with proceedings and negotiated settlements.

NGTL submits that the eligibility of parties for cost recovery in utility proceedings and negotiated settlements should not be predetermined. Instead, eligibility for cost recovery should be reviewed on a case-by-case basis and awarded based on the merits of participation and a determination of whether costs were reasonably and prudently incurred in the particular circumstance or proceeding.

NGTL further submits that utilities under the AUC’s jurisdiction, whether applicants or those directed by the AUC to participate in a proceeding, generic or otherwise, should be eligible for recovery of regulatory and legal costs, as these costs are legitimate costs of doing business in a

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regulated environment. In support of this view, NGTL notes the National Energy Board, in Decision RH-2-2004, recognized that:

...regulatory and legal expenditures are an integral and legitimate cost of doing business. Further, the Board is also of the view that when operating under a regulated environment, it should be possible for a company to recover those costs, as long as it can be demonstrated that they were incurred reasonably and prudently.¹

NGTL agrees with comments submitted by others that the existing Scale of Costs should be reviewed and updated to reflect current market rates. NGTL notes that current market rates for legal counsel and some external consultants with 12 or more years of experience are at least double the existing Scale of Costs. NGTL is of the view that it is inappropriate to link the amount of preparation time eligible for cost recovery to the number of hearing days or other criteria.

If you have any questions, please contact Carolyn Shaw, Regulatory Project Manager, at (403) 920-7172.

NOVA Gas Transmission Ltd.

A wholly owned subsidiary of TransCanada PipeLines Limited

Original Signed by

Murray Sondergard
Director, Regulatory Services
Law and Regulatory Affairs

¹ National Energy Board, Reasons for Decision, TransCanada PipeLines Limited, RH-2-2004 – Phase 1, 2004 Tolls and Tariff Application, September 2004, page 32.