

Intervener Funding in Alberta

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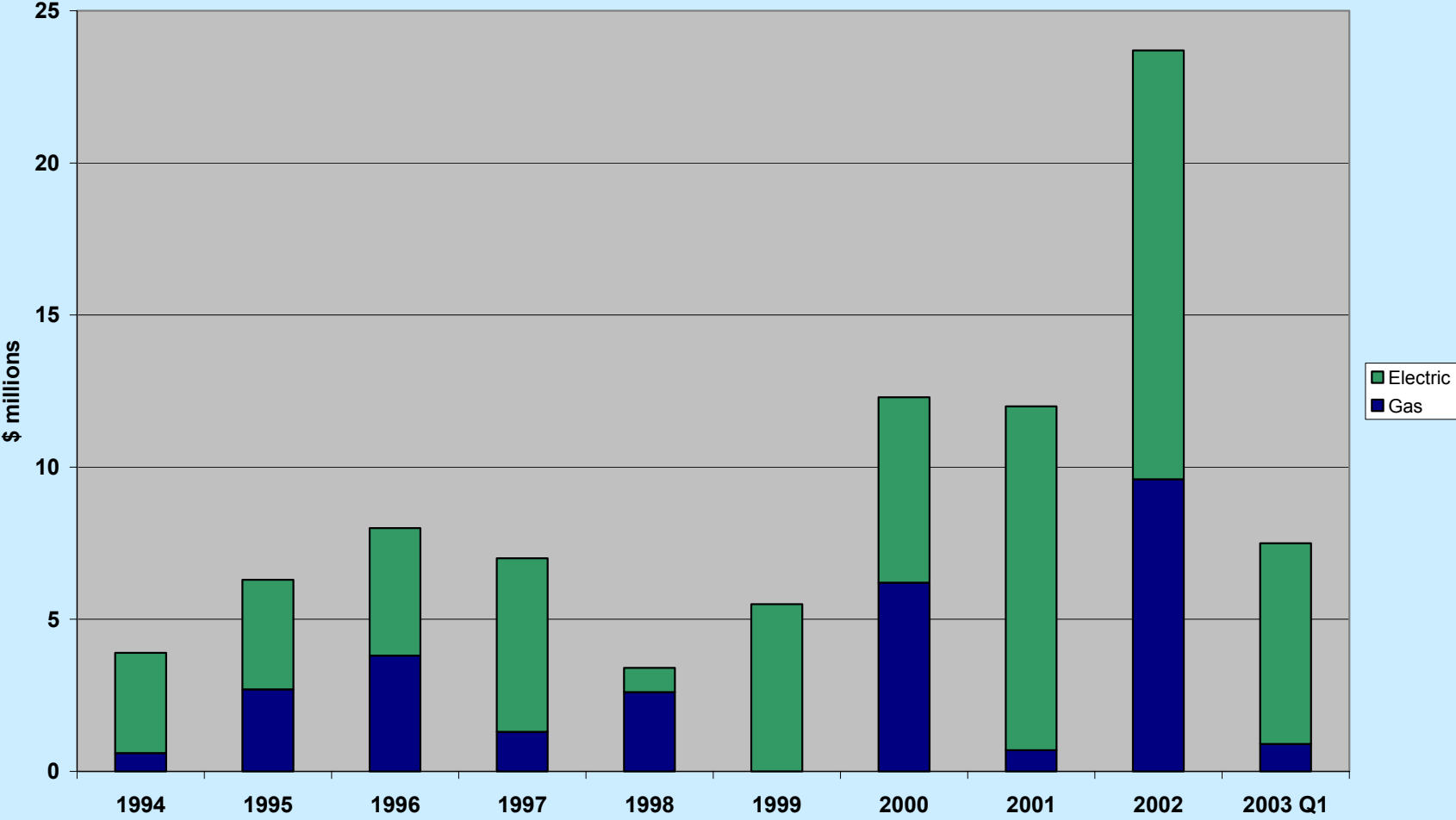
CAMPUT 2003 Educational Conference

May 7, 2003

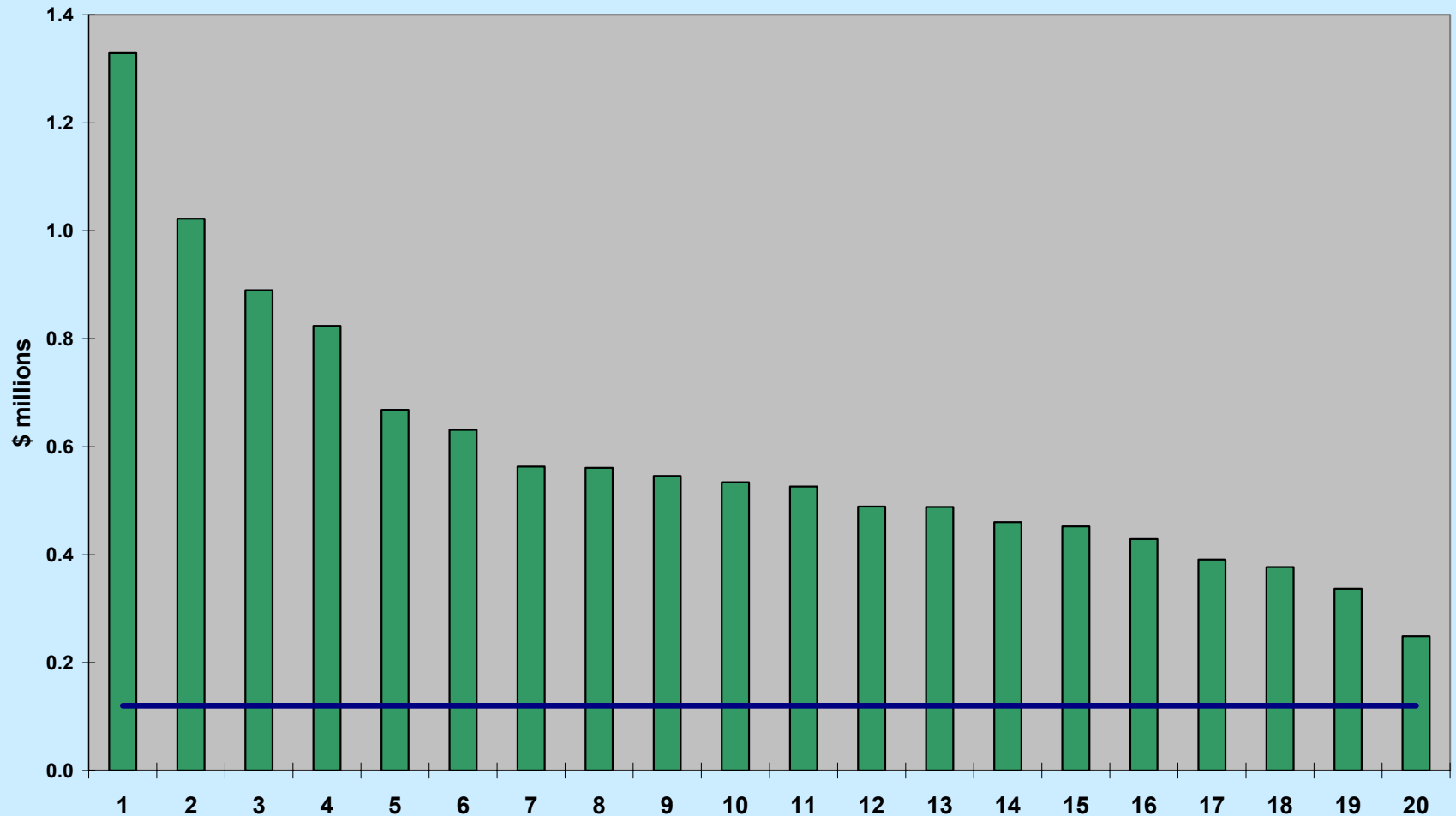
Utility Cost Guidelines

- Both applicants and interveners are eligible for cost recovery:
 - Intervenors with commercial interests are eligible.
 - There is no requirement to demonstrate financial need.
- Costs must be reasonable:
 - Costs must be directly and necessarily related to the party's participation in the proceeding.
 - Parties must act responsibly and contribute to a better understanding of the issues before the Board.
 - The costs must in line with the scope and nature of the proceeding.
 - The work performed by a participant must not duplicate the work performed by other interveners.
- The maximum legal/professional fee is \$250/hour, unless the Board is persuaded the maximum is inadequate given the complexity of the case.

Utility Cost Awards



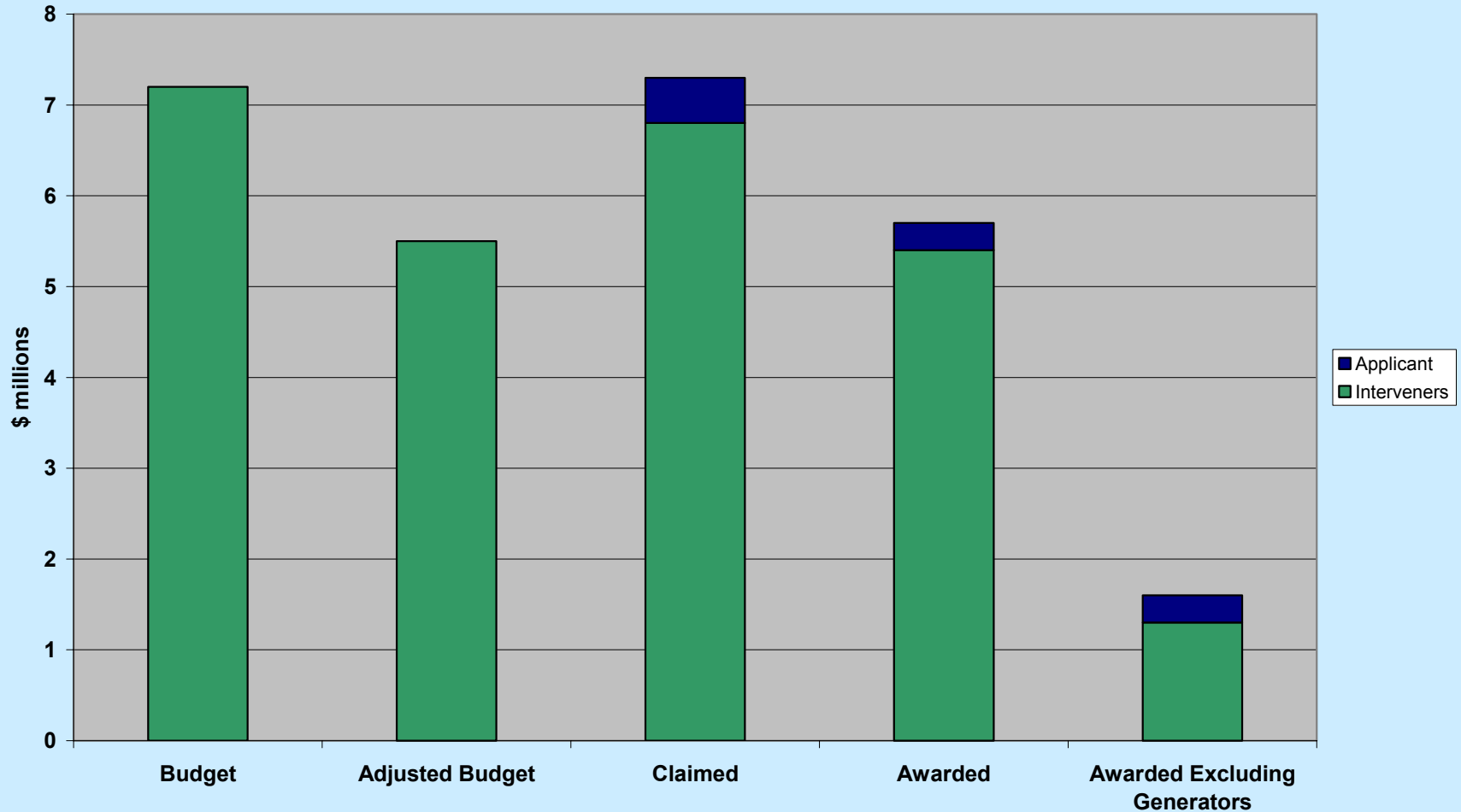
2002 Fees Awarded to Non-Utility Claimants



Congestion Management Proceeding

- Pre-application costs were not allowed.
- Costs of internal staff, or consultants hired in lieu of the use of internal staff, were not allowed.
- Costs of policy witnesses were not allowed.
- Legal counsel and general consultants were considered as a team.
- Benchmarks were established as a non-binding guideline:
 - 100 person-days for legal/consultant team - \$200,000.
 - 80 person-days for expert witnesses - \$160,000.
- Extra costs were allowed for coordination of multi-intervener teams.
- Contribution of each claimant to proceeding was assessed.

Congestion Management Costs



Conclusions

- Balance must be struck between ensuring the Board has tested information and data necessary to make informed decisions and minimizing the hearing costs incurred by customers.
- The status quo is not in balance:
 - Parties with commercial interests are reimbursed for pursuing their own commercial interests.
 - Intervenors are not subject to sufficient accountability for their costs.
 - It is very difficult for the Board to assess the contributions of individual parties to a proceeding or to identify duplication of effort.
 - The cost recovery process itself is complex and expensive.

Recommendations

- Do not allow costs for internal resources (including policy witnesses), or consultants hired in lieu of internal resources.
- Allow costs for general consultants only to the extent that there is an offsetting reduction in legal costs.
- Do not pay lawyers and consultants directly – reimburse the clients they were representing to provide more accountability.
- Do not allow regulated utilities to charge costs to each other.
- Consider not allowing costs for parties with commercial interests.
- Consider capping cost recovery at, say, 80% of Board approved costs unless intervener can demonstrate financial need.
- Consider ratepayer advocate function, eliminating most cost recovery.