Decision 25195-D02-2020



# Alberta Electric System Operator Needs Identification Document Application

EPCOR Distribution & Transmission Inc. Facility Applications

West Edmonton Transmission Upgrade Project Costs Award

June 9, 2020

#### **Alberta Utilities Commission**

Decision 25195-D02-2020 Alberta Electric System Operator Needs Identification Document Application EPCOR Distribution & Transmission Inc. Facility Applications West Edmonton Transmission Upgrade Project Costs Award Proceeding 25195

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#### Alberta Utilities Commission Calgary, Alberta

Alberta Electric System Operator Needs Identification Document Application EPCOR Distribution & Transmission Inc. Facility Applications West Edmonton Transmission Upgrade Project Costs Award

Decision 25195-D02-2020 Proceeding 25195

#### 1 Introduction

1. In this decision, the Alberta Utilities Commission considers the portions of the costs claim applications for which the Commission reserved its decision in Decision 25195-D01-2020.<sup>1</sup> These are the claims for consulting services and disbursements for Veritas Litigation Support made by each of the Elmwood Residents Group, the 190 Street Residents Group and the Lynnwood Community League, with respect to their participation in Proceeding 23943<sup>2</sup> (the original proceeding).

Claimant	Total Fees Claimed	Total Disbursements Claimed	Total GST Claimed	Total Amount Claimed	Total Fees Awarded	Total Disbursements Awarded	Total GST Awarded	Total Amount Awarded
Elmwood Residents Group								
Veritas Litigation Support	\$8,100.00	\$7,265.00	\$768.25	\$16,133.25	\$5,515.20	\$2,637.00	\$407.61	\$8,559.81
190 Street Residents Group								
Veritas Litigation Support	\$6,708.00	\$5,945.00	\$632.65	\$13,285.65	\$4,766.40	\$2,637.00	\$370.17	\$7,773.57
Lynnwood Community League								
Veritas Litigation Support	\$5,676.00	\$5,213.00	\$544.45	\$11,433.45	\$3,345.60	\$2,637.00	\$299.13	\$6,281.73
	\$40,852.35	Total amount awarded to parties			\$22,615.11			

2. The following table sets out the costs claimed and the amounts awarded:

3. The Commission has awarded reduced costs to the applicants for the reasons set out below.

4. The original proceeding was convened by the Commission to consider whether to approve a needs identification document application from the Alberta Electric System Operator and facility applications from EPCOR Distribution & Transmission Inc. to construct and operate

<sup>&</sup>lt;sup>1</sup> Decision 25195-D01-2020: Alberta Electric System Operator Needs Identification Document Application EPCOR Distribution & Transmission Inc. Facility Applications West Edmonton Transmission Upgrade Project Costs Award, Proceeding 25195, April 29, 2020.

<sup>&</sup>lt;sup>2</sup> Proceeding 23943: Transmission Enhancements in the West Edmonton Area Needs Identification Document and Facilities Applications.

an 11-kilometre-long, 72-kilovolt transmission line and to alter the Poundmaker, Meadowlark and Garneau substations in west Edmonton.

5. On April 29, 2020, following the evaluation of the costs claim applications filed by the Elmwood Residents Group, the 190 Street Residents Group, the Lynnwood Community League, the Aldergrove Residents Group and the Consumers' Coalition of Alberta (CCA), the Commission issued Decision 25195-D01-2020.<sup>3</sup> The Commission decided in full the costs claim applications submitted by the Aldergrove Residents Group and by the CCA, and it decided in part the costs applications filed by the other three groups. The Commission noted in the decision that the costs claimed by those groups for obtaining drone video evidence were substantially higher than what had been claimed for this service in previous costs proceedings. The Commission decided to reserve its decision on all costs claimed for Veritas until it obtained additional information about the services provided and the fees charged.<sup>4</sup>

6. On May 7, 2020, the Commission issued information requests (IRs) to the Elmwood Residents Group, the 190 Street Residents Group and the Lynnwood Community League,<sup>5</sup> and requested responses to the IRs by May 21, 2020. On May 20, 2020, the Lynnwood Community League filed its responses to the IRs and on May 21, 2020, the Elmwood Residents Group and the 190 Street Residents Group filed responses to the IRs. The Commission considers the close of record for this part of the proceeding to be May 21, 2020.

## 2 Commission's authority to award costs and intervener eligibility

7. The Commission's authority to award costs is found in sections 21 and 22 of the *Alberta Utilities Commission Act*. When assessing a costs claim pursuant to Section 21 of the *Alberta Utilities Commission Act*, the Commission applies Rule 022: *Rules on Costs in Utility Rate Proceedings* or Rule 009: *Rules on Local Intervener Costs*.

8. Only "local interveners" are eligible to claim costs in facility related applications. The Commission's authority to award costs for the participation of a local intervener in a hearing or other proceeding on an application to construct or operate a hydro development, power plant or transmission line under the *Hydro and Electric Energy Act* or a gas utility pipeline under the *Gas Utilities Act* is found in sections 21 and 22 of the *Alberta Utilities Commission Act*. When considering a claim for costs for a facilities proceeding, the Commission is also guided by the factors set out in Section 7 of Rule 009 and the Scale of Costs found in Appendix A of Rule 009.

9. Section 7 of Rule 009 provides that the Commission may award costs, in accordance with the Scale of Costs, to a "local intervener" if the Commission is of the opinion that:

**7.1.1** the costs are reasonable and directly and necessarily related to the hearing or other proceeding, and

<sup>&</sup>lt;sup>3</sup> Decision 25195-D01-2020: Alberta Electric System Operator Needs Identification Document Application EPCOR Distribution & Transmission Inc. Facility Applications West Edmonton Transmission Upgrade Project Costs Award, Proceeding 25195, April 29, 2020.

<sup>&</sup>lt;sup>4</sup> Decision 25915-D01-2020, paragraphs 66, 90 and 116.

<sup>&</sup>lt;sup>5</sup> Exhibit 25195-X0033, 25195-X0034 and Exhibit 25195-X0035.

**7.1.2** the local intervener acted responsibly in the hearing or other proceeding and contributed to a better understanding of the issues before the Commission.

10. Section 22 of the *Alberta Utilities Commission Act* defines what a "local intervener" is and states:

22(1) For purposes of this section, "local intervener" means a person or group or association of persons who, in the opinion of the Commission,

- (a) has an interest in, and
- (b) is in actual occupation of or is entitled to occupy

land that is or may be directly and adversely affected by a decision or order of the Commission in or as a result of a hearing or other proceeding of the Commission on an application to construct or operate a hydro development, power plant or transmission line under the *Hydro and Electric Energy Act* or a gas utility pipeline under the *Gas Utilities Act*, but unless otherwise authorized by the Commission does not include a person or group or association of persons whose business interest may include a hydro development, power plant or transmission line or a gas utility pipeline.

11. In Decision 25195-D01-2020, the Commission determined that each of the Elmwood Residents Group, the 190 Street Residents Group and the Lynnwood Community League was a local intervener within the definition provided in Section 22 of the *Alberta Utilities Commission Act*. The Commission has therefore applied Rule 009 to the costs applications filed by those groups.

## 3 Information request responses

12. Veritas prepared the responses that were filed by the costs claimants in relation to the Commission's IRs requesting additional information about the fees and disbursements claimed by the interveners for the services provided by Veritas.<sup>6</sup> With the exception of one request that was made only to the Elmwood Residents Group, the responses are substantially the same for each intervener. For brevity, the Commission has provided the following summary of Veritas's responses on the basis that each response can be attributed to the claim made by each intervener group.

## 3.1 Professional fees claimed for Veritas

13. The Commission noted in its IRs that the fees claimed in this proceeding for "AUC Evidence Video Production" services from Veritas and the time and charges for post-flight operations services in certain other costs proceedings in which video drone evidence was filed ranged from 11 hours to 34 hours. The Commission asked for an explanation of why some video evidence required relatively few hours of production services while others, in particular the Elmwood Residents Group's video evidence, required significantly more hours.

<sup>&</sup>lt;sup>6</sup> Exhibit 25195-X0037, LCL - Veritas Responses to AUC IR Requests; Exhibit 25195-X0038, Ltr to Counsel\_Attached Response to AUC IR Request for 190; Exhibit 25195-X0039, Ltr to Counsel\_Attached Response to AUC IR Request for ELM.

14. Veritas stated that enhanced operator training and better equipment have improved the quality and accuracy of the animations in Veritas's videos. It explained that early drone videos were freeze-frame, basic annotations while current videos are 3D animated motion graphics with significantly higher levels of precision and context. Veritas stated that it takes more time to prepare modern videos than it did to prepare the older videos. It also stated that its standard practice is to provide intervener counsel with a draft of the video evidence that has no or minimal enhanced features, and that enhanced features are provided when requested by the intervener or its counsel.<sup>7</sup>

15. Veritas addressed each of the examples of costs claims for drone video evidence that were identified in the Commission's IR as indicating the range of fees that had been claimed for preparing drone video evidence. Veritas stated that four separate drone videos were produced for Proceeding 22173 and several changes were made to the annotations in the draft videos. It stated that for Proceeding 24083, a single video was produced without 3D motion graphics, that the route segments were long and straight with few landscape variations, that few annotations were requested and no edits were made to the first draft of the video. Finally, Veritas stated that the video created for Proceeding 25195 included 3D motion graphics, the recording was of a complex urban landscape that required more time-consuming animation work, that corrections had to be made after the applicant disclosed that there were errors on the maps upon which the videos were based, and that extensive additional annotations were requested by the intervener.

## **3.2** Equipment charges claimed as disbursements

16. The Commission requested information about two types of equipment charges that were claimed as disbursements: \$825 claimed for drone, camera, lens and computing equipment costs, and \$120 per hour claimed for three different specialized graphics computers used by Veritas. The Commission asked whether Veritas owned the equipment and retained the fees claimed or whether a third party received all or part of the equipment fees. The Commission also asked whether the \$120 per hour computer charge was levied at the same time that Veritas personnel were charging professional fees for services that were being provided using the computer.

17. Veritas confirmed that it owns all the equipment for which an equipment fee was claimed and that it retains the equipment fees that are paid. It added that Transport Canada requires Veritas to own the drone equipment that Veritas operates.

18. Veritas stated that it charges a standard flat equipment fee of \$825.00 to recover a portion of the costs of the drones and other equipment needed to operate the drones, including high-resolution cameras, flight and flight safety equipment, remote controls, radios, take-off and landing pads and maintenance costs. It added that it learned at post-production and animation industry conferences it had attended that a charge of this nature is an industry standard, and said the charge was similar to an acoustic expert charging a flat fee for the use of its specialized equipment.

19. Veritas stated that the \$120 per hour equipment charge is an hourly fee to compensate it for its specialized equipment and software costs. It submitted that for it to be able to prepare fully-produced drone video evidence within the Commission's evidence filing deadlines, it must

<sup>&</sup>lt;sup>7</sup> Exhibit 25195-X0037, LCL - Veritas Responses to AUC IR Requests, pages 2 to 5.

use state-of-the-art high performance computer and graphics processing hardware. Veritas explained that the hourly equipment charge allows it to recover a portion of its substantive costs for high-end graphics processing computers and required software licences.

20. In response to the Commission's request for information about how the hourly equipment charge was determined, Veritas stated:

The hourly rate was also determined to be \$120.00 to account for the time that our graphics processing computers are engaged with all the graphics processing, 3D tracking, rendering, exporting, and uploading processes that are essential for drone evidence video production. Due to the intensive requirements for these processes, our specialized graphics processing computers are unable to perform any other tasks as these processes consume all of the processing power in the Central Processing Units (CPU) and Graphics Processing Units (GPU) used in our specialized computer systems for several hours at a time preventing the computers from being utilized on projects with our other clients.<sup>8</sup>

21. Veritas stated that the hourly equipment charge only accrues when its personnel is actively engaged using the equipment. As a result, a professional fee and the equipment charge are imposed at the same time; however, the equipment charge is not applied for any time that the equipment is operating unattended. It gave the following example:

For example, if the animator/video editor is preparing an animated video for 4 hours and then gives the computer the commands to render the animations into the footage and that rending process takes an additional 6 hours, only the original 4 hours of computer time is charged. In other words, we only charge for computer time when the animator/video editor actively engaged in building the video, plotting any 3D tracking, video exporting, and video uploading. To be clear, where our specialized graphics processing computers are left unattended overnight (which is often the case) to complete its processing/rendering, or where Veritas is required to make a correction due to any mistakes or misplacements in the video production made by Veritas, or if a process needs to be restarted due to an software error, neither our animator's/editor's hourly rate nor the hourly rate for our specialized graphics processing computers are charged.<sup>9</sup>

#### **3.3** Regulatory compliance charges claimed as disbursements

22. The Commission requested information about the \$200.00 disbursement charge claimed for insurance, Transport Canada and Nav Canada regulatory approvals. The Commission asked whether the charge was for regulatory approvals specifically required for the drone operations used to obtain the video footage that was filed as evidence in the original proceeding, or whether Veritas paid those fees or charges on a general basis and imposed the \$200.00 charge to recover a portion of those costs.

23. Veritas stated that the \$200 charge for insurance and regulatory approvals and compliance was a general fee, not a specific charge, that it levied to help recover the costs of insurance, regulatory charges and certification. It stated:

<sup>&</sup>lt;sup>8</sup> Exhibit 25195-X0037, LCL - Veritas Responses to AUC IR Requests, page 7.

<sup>&</sup>lt;sup>9</sup> Exhibit 25195-X0037, LCL - Veritas Responses to AUC IR Requests, page 8.

The \$200.00 regulatory compliance charges were determined to recover a portion of the costs associated with obtaining our aviation liability and commercial liability insurance policies; the education costs, exam costs, and in-person flight evaluation costs necessary to prove that Veritas' pilots have met the knowledge requirements set by Transport Canada and Nav Canada for issuing an advanced pilots license; paying registration fees for our RPAS; and the time spent to prepare and coordinate Veritas' flight plans with Nav Canada and Transport if necessary to maintain regulatory compliance.<sup>10</sup>

#### 4 Commission findings

24. The detailed IR responses provided by Veritas assisted the Commission in understanding the basis for the professional fees and disbursements claimed by the local interveners in this proceeding for Veritas's services. The Commission has concluded that the elevated costs to prepare drone video evidence that were claimed in this proceeding generally result from the additional work and more sophisticated equipment needed to produce video with enhanced features and higher quality than what has previously been filed with the Commission as drone video evidence. The Commission must therefore determine whether the fees and disbursements claimed are reasonable, having regard for the video evidence's contribution to the Commission's understanding of the issues in the original proceeding

#### 4.1 Professional fees claimed for Veritas

25. Professional fees for Veritas were claimed at the rate of \$120.00 per hour. This rate was approved by the Commission in Decision 22406-D01-2016<sup>11</sup> and has been consistently applied in costs awards for drone video service providers, and so is not a concern in terms of the rising costs claims for drone video evidence. As indicated above, it appears that the trend of escalating fees is attributable to the additional services needed to produce video evidence that Veritas stated is a higher quality product that is more realistic and has enhanced functionality. Veritas explained that enhanced features, such as 3D animation, are not included in the initial draft videos that are reviewed by Veritas's clients or their counsel; enhanced features are provided only when they are requested. In the original proceeding, each of the three intervener groups that retained Veritas requested additional services and enhancements after viewing the initial draft video prepared by Veritas.

26. In Decision 25195-D01-2020, the Commission found that the fees and disbursements claimed for Veritas were not commensurate with the contribution that the drone video evidence made to the Commission's understanding of the issues in the original proceeding. The Commission stated in relation to two of the costs claims:

65. The Commission is aware that aerial drone video can be useful in depicting remote areas or terrain that is difficult to access. However, the project considered by the Commission in the original proceeding was entirely within the City of Edmonton, and both EDTI and the Elmwood Residents Group filed photographs in evidence that fairly represented the project lands. In particular, EDTI filed aerial photographs of each section

<sup>&</sup>lt;sup>10</sup> Exhibit 25195-X0037, LCL - Veritas Responses to AUC IR Requests, page 10.

<sup>&</sup>lt;sup>11</sup> Decision 22406-D01-2017: ATCO Electric Ltd. Hughes 2030S Substation Costs Award, Proceeding 22406, June 9, 2017, paragraph 57.

of the proposed transmission line route that depicted substantially the same views that were provided by the drone video evidence, albeit in still form and not in motion. The Commission therefore concludes that the drone video evidence duplicated much of the photographic evidence that was filed in the original proceeding and finds that the costs claimed for obtaining the evidence are not reasonable.<sup>12</sup>

27. Given that EDTI filed numerous aerial photographs of the proposed transmission line routes as part of its facility applications, the Commission questions the reasonableness of the decision made by the three intervener groups to file drone video evidence of the preferred route. The Commission considers that it should have been apparent to the interveners that aerial video of the route would not be new information that contributed to the Commission's understanding of the issues in the original proceeding, beyond what was conveyed by the aerial photographs filed by the applicant.

28. The Commission also considers that the interveners' initial questionable decision to obtain and file aerial video evidence was compounded by the subsequent decision taken by each intervener group to request post-production enhanced features, such as 3D animation and labelling the location of multiple individual homeowners and some landscape features that were recognizable (e.g., the Lynnwood school, athletic field and ravine). The enhanced features did not add to the Commission's understanding of the issues in the original proceeding and so the costs of the enhancements are disproportionate to their contribution to the evidence. In the Commission's experience, the drone videos filed in evidence in previous proceedings that were "freeze-frame, basic annotations" are sufficient for the Commission's purposes. Interveners should therefore be reluctant to ask video service providers to incorporate enhanced features unless they are prepared to bear the entire cost of those enhancements.

29. Given the foregoing, the Commission finds that although the services performed by Veritas were directly related to the intervener groups' respective participation in the original proceeding, not all of the services provided were necessary and the fees claimed for some services (e.g., enhancements and labelling) were excessive having regard for their limited contribution to the evidence. The Commission has therefore decided to reduce the awards for the fees claimed to create each initial draft video, and for Veritas's participation in the oral hearing, by twenty per cent. The Commission has also decided to limit the award for fees claimed to revise each video after the draft video evidence was created and reviewed by legal counsel to five hours, or \$600.00, which the Commission believes is a reasonable period of time for the service provider to make minor changes or corrections to the draft video evidence.

30. The Commission emphasizes that in imposing these fee reductions it does not intend to criticize the services provided by Veritas, the quality of its product or the conduct of its personnel. It understands that Veritas offers a range of services for a fee and other charges, and that its clients decide which services to purchase. The Commission is instead expressing its concern that not all proceedings can benefit from drone video evidence. The trend that is emerging is for this kind of evidence to be filed by interveners on a routine basis without due regard for whether it is actually needed or the costs to produce it. The Commission expects

<sup>&</sup>lt;sup>12</sup> Decision 25195-D01-2020: Alberta Electric System Operator Needs Identification Document Application EPCOR Distribution & Transmission Inc. Facility Applications West Edmonton Transmission Upgrade Project Costs Award, Proceeding 25195, April 29, 2020, paragraph 65. The same reasons were provided in relation to the 190 Street Residents Group's costs claim at paragraph 89.

interveners to exercise reasonable costs discipline when deciding what services to engage in an intervention. Although the Commission does not always require interveners to seek pre-approval of local intervener costs, it recommends that interveners who are considering filing drone video evidence first file a budget in accordance with Appendix B of Rule 009 and request direction from the Commission on whether the anticipated costs for that evidence are reasonable and eligible for a costs award.

## 4.2 Equipment charges claimed as disbursements

31. Two different Veritas equipment charges were claimed by each intervener group as disbursements. The first is a flat equipment fee of \$825 that Veritas stated it charges to help recover the purchase and maintenance cost of its drones, cameras and other equipment used to conduct drone flights. Veritas submitted that the Commission has awarded similar charges for acoustic experts who use specialized sound equipment. The Commission notes in that regard that in Decision 25334-D01-2020,<sup>13</sup> it awarded a \$1,485 "instrumentation" charge claimed for an acoustics expert on the basis that the charge was reasonable and related to the expert's data collection and processing activities; and in Decision 21715-D01-2016,<sup>14</sup> the Commission approved a disbursement claim of \$1,600 for drone equipment used by a service provider to capture aerial video.

32. The Commission accepts that the specialized drone and camera equipment used by Veritas to capture the video that was filed as evidence in the original proceeding is analogous to the collection of sound data in the field using specialized acoustics equipment, and will consider awarding the charge if it finds that the charge is reasonable.

33. Because no information was provided about the actual purchase and maintenance costs of the equipment for which the charge was claimed, the Commission is therefore unable to calculate whether the charge recovers a reasonable share of Veritas's actual investment in its equipment and related operating and maintenance costs. However, the Commission considers that the \$825 charge claimed likely represents a reasonable share of Veritas's costs to purchase, operate and maintain specialized drones, cameras and other equipment that Veritas used to capture the video that was eventually filed as evidence. It therefore grants the \$825 equipment charge claimed by each of the interveners.

34. The second type of equipment charge claimed as a disbursement is a \$120 per hour charge that Veritas stated it imposes to compensate it for the cost of its specialized computer equipment and software. This charge accrues when Veritas's personnel is operating certain computers that process the video files and render the final video with 3D motion graphic animations and other features that are needed to create the video evidence, or when graphic enhancements or labels are requested by Veritas's client. Veritas added that this kind of charge is common in the animation and visual effects industry.

<sup>&</sup>lt;sup>13</sup> Decision 25334-D01-2020: Pattern Development Lanfine Wind ULC Lanfine Wind Power Project Costs Award, Proceeding 25334, May 7, 2020, paragraph 27.

<sup>&</sup>lt;sup>14</sup> Decision 21715-D01-2016: AltaLink Management Ltd. South and West of Edmonton Area Transmission Development Cooking Lake, Saunders Lake, Wabamun and Leduc Developments Costs Award, Proceeding 21715, December 20, 2016, paragraph 50.

35. In its responses to the Commission's IRs, Veritas confirmed that it owns the equipment for which the hourly fee is charged and it retains the entire fee. The Commission makes a distinction between the flat \$825 equipment charge for drone equipment operated in the field to collect raw video footage and the \$120 per hour charge for computing equipment that is located at Veritas's premises and is used to process the raw data into the final video evidence.

36. Based on the IR responses provided by Veritas, the Commission considers that the inhouse specialized computers and software for which the hourly equipment charge is claimed are akin to tools of the trade that Veritas uses to create the products for which it is paid fees. The Commission normally considers that compensation for the use of such equipment is subsumed in the fees that are awarded to service providers. However, given that this appears to be the first time this particular equipment charge has been addressed by the Commission, it is prepared to consider granting the claim in this proceeding but cautions participants that in future costs proceedings the Commission may not grant a claim for the same kind of equipment charge.

37. Similar to the drone equipment fee, Veritas did not provide information about the purchase, operating and maintenance costs of the computers and software for which the hourly charge was levied, and so the Commission cannot calculate whether the charge recovers a reasonable share of Veritas's actual investment in its equipment. The hourly equipment charge is not, however, a modest amount relative to the costs claimed for Veritas's services. The charge (excluding the charge for the display computer used during the oral hearing) ranges from \$3,336.00 to \$5,508.00 between the three costs claims. The charge also represents a substantial portion of the costs claimed by each intervener for Veritas: on average, it equates to approximately two-thirds of the professional fees that were claimed and one-third of the total amount claimed for Veritas.

38. The Commission is not prepared, without more information, to consider that the hourly equipment charges claimed are reasonable disbursements. The Commission is also concerned that, based on Veritas's description of the tasks performed by the specialized computers and software, much of the \$120 per hour equipment charges that are claimed may have accrued while Veritas's personnel were completing the enhancements and labelling that the Commission has found (in relation to Veritas's fees) were not reasonably required. The Commission is not, however, able to determine precisely what portion of the equipment charge claimed by each intervener relates to these enhancements because that detail was not provided in the costs claim.

39. Having regard for the foregoing, the Commission is not prepared to grant the full amounts claimed for Veritas's hourly equipment charge. The Commission will instead grant a lesser amount that it believes more reasonably represents the necessary and responsible use of the specialized computer equipment for which the charge was claimed. The Commission will award each intervener \$960.00 of the hourly equipment charges claimed, which represents eight hours' use of the specialized equipment and software at the rate charged. The Commission reiterates that it may not grant a claim for the same kind of equipment charge in future costs proceedings, and that interveners who are considering filing drone video evidence should first file a budget in accordance with Appendix B of Rule 009 and request direction from the Commission on whether the anticipated costs for that evidence are reasonable and eligible for a costs award.

#### 4.3 Regulatory compliance charges claimed as disbursements

40. Veritas confirmed that the \$200 regulatory compliance charge claimed by each intervener allows Veritas to recover some of the costs of insurance, regulatory charges and certification fees that apply generally to its business and operations, and the charge did not relate specifically to Veritas's work for the original proceeding. Veritas did not provide the actual costs of its insurance coverage, regulatory charges or certification fees.

41. The Commission considers that a service provider's general insurance costs and any regulatory or certification fees that it must pay in order to carry on the business are subsumed in the fees paid to the service provider and are not recoverable as a disbursement. Rule 009 expressly states in relation to fees for legal counsel that "[1]egal fees are deemed to include all overhead charges implicit in the normal operation of a law firm."<sup>15</sup> The same principle applies to other service providers for whom a costs claim is made. The Commission therefore will not award the \$200 regulatory compliance charged claimed by each of the interveners for Veritas's services.

#### 4.4 Disbursement charges for specialized hearing display computers

42. Veritas provided the equipment needed to display the drone video evidence in the hearing room during the oral hearing. Veritas charged an equipment fee of \$2,556.00, and each of the three interveners who filed drone video evidence were charged an equal share of that fee.

43. The Commission considers that the equipment provided was needed to properly display the video evidence created by Veritas and that all participants in the hearing benefited as a result. The Commission finds that the amounts claimed are reasonable and awards each of the claimants \$852.00 for its share of the disbursement charge for the hearing room display computer.

#### 4.5 Total awarded to the Elmwood Residents Group

44. The following table summarizes the reserved portion of the Elmwood Residents Group's costs claim for Veritas Litigation Support:

Claimant		Hours		Fees	Disbursements	GST	Total
Giaimant	Preparation	Attendance	Argument	rees			
Elmwood Residents Group							
Veritas Litigation Support	59.1	8.4	0.0	\$8,100.00	\$7,265.00	\$768.25	\$16,133.25

45. Veritas's invoice 15-788 indicates that fees claimed by the Elmwood Residents Group for Eric Wilson and Hayden Wilson to and including "preparation of draft evidence video into a Frankie video review session for legal counsel" total 39.4 hours or \$4,728.00. In addition, Veritas's invoice 15-791 indicates that fees claimed for Veritas's hearing preparation, video display assistance during the hearing and Eric Wilson's participation as a witness total 11.8 hours or \$1,416.00. In accordance with the findings in Section 4.1 above, the Commission grants 80 percent of those fees, for a total of \$4,915.20.

<sup>&</sup>lt;sup>15</sup> Rule 009: Rules on Local Intervener Costs, page 7.

46. Veritas's invoice 15-788 also indicates that fees for Eric Wilson and Hayden Wilson after the initial draft of the video evidence was prepared total 16.3 hours or \$1,956.00. In accordance with the findings in Section 4.1 above, the Commission grants \$600.00 of the fees claimed for that portion of the work.

47. The Elmwood Residents Group claimed a disbursement charge of \$825.00 for drone, camera, lens and computing equipment costs relating to Veritas's aerial drone operations. The group also claimed a disbursement charge of \$5,508.00 for the use of specialized graphics processing computer equipment and software. In accordance with the findings in Section 4.2 above, the Commission grants the full \$825.00 disbursement claimed for drone operations equipment and grants \$960.00 of the disbursement claimed for specialized graphics processing computers and software.

48. The Elmwood Residents Group claimed a \$200 regulatory compliance charge in relation to Veritas's costs of insurance, regulatory charges and certification fees. In accordance with Section 4.3 above, the Commission does not grant that disbursement.

49. The Elmwood Residents Group claimed a disbursement of \$732.00 for its share of Veritas's charge for providing a specialized computer to display the aerial video evidence during the oral hearing. However, Veritas's invoices to each of the three intervener groups clarifies that each group's share of that charge is actually \$852.00 (as claimed by the Lynnwood Community League). In accordance with Section 4.4 above, the Commission grants the Elmwood Residents Group \$852.00 as a disbursement charge for the specialized computer used by Veritas during the hearing to display the aerial video evidence.

50. For the reasons provided above, the Commission approves the Elmwood Residents Group's claim for consulting fees for Veritas Litigation Support in the amount of \$5,515.20, disbursements of \$2,637.00 and GST of \$407.61 for a total of \$8,559.81.

## 4.6 Total awarded to the 190 Street Residents Group

51. The following table summarizes the reserved portion of the 190 Street Residents Group's costs claim for Veritas Litigation Support:

Claimant		Hours		Fees	Disbursements	GST	Total
Cidillidill	Preparation	Attendance	Argument	rees			
190 Street Residents Group							
Veritas Litigation Support	47.5	8.4	0.0	\$6,708.00	\$5,945.00	\$632.65	\$13,285.65

52. Veritas's invoice 15-789 indicates that fees claimed by the 190 Street Residents Group for Eric Wilson and Hayden Wilson to and including the second entry stating "... preparation of draft evidence video into a Frankie video review session for legal counsel review" total 31.6 hours or \$3,792.00. In addition, Veritas's invoice 15-792 indicates that fees claimed for Veritas's hearing preparation, video display assistance during the hearing and Eric Wilson's participation as a witness total 11.8 hours or \$1,416.00. In accordance with the findings in Section 4.1 above, the Commission grants 80 percent of those fees, for a total of \$4,166.40.

53. Veritas's invoice 15-789 also indicates that fees for Eric Wilson and Hayden Wilson after the draft of the video evidence was reviewed by legal counsel total 12.5 hours or \$1,500.00. In accordance with the findings in Section 4.1 above, the Commission grants \$600.00 of the fees claimed for that portion of the work.

54. The 190 Street Residents Group claimed a disbursement charge of \$825.00 for drone, camera, lens and computing equipment costs relating to Veritas's aerial drone operations. The group also claimed a disbursement charge of \$4,188.00 for the use of specialized graphics processing computer equipment and software. In accordance with the findings in Section 4.2 above, the Commission grants the full \$825.00 disbursement claimed for drone operations equipment and grants \$960.00 of the disbursement claimed for specialized graphics processing computers and software.

55. The 190 Street Residents Group claimed a \$200 regulatory compliance charge in relation to Veritas's costs of insurance, regulatory charges and certification fees. In accordance with Section 4.3 above, the Commission does not grant that disbursement.

56. The 190 Street Residents Group claimed a disbursement of \$732.00 for its share of Veritas's charge for providing a specialized computer to display the aerial video evidence during the oral hearing. However, Veritas's invoices to each of the three intervener groups clarifies that each group's share of that charge is actually \$852.00 (as claimed by the Lynnwood Community League). In accordance with Section 4.4 above, the Commission grants the 190 Street Residents Group \$852.00 as a disbursement charge for the specialized computer used by Veritas during the hearing to display the aerial video evidence.

57. For the reasons provided above, the Commission approves the 190 Street Residents Group's claim for consulting fees for Veritas Litigation Support in the amount of \$4,766.40, disbursements of \$2,637.00 and GST of \$370.17 for a total of \$7,773.57.

## 4.7 Total awarded to the Lynnwood Community League

58.	The following table summarizes the reserved portion of the Lynnwood Community
Leagu	e's costs claim for Veritas Litigation Support:

Claimant	Hours			Fees	Disbursements	GST	Total
Claimant	Preparation	Attendance	Argument	rees	Dispuisements	031	TULAI
Lynnwood Community League							
Veritas Litigation Support	45.3	2.0	0.0	\$5,676.00	\$5,213.00	\$544.45	\$11,433.45

59. Veritas's invoice 15-787 indicates that fees claimed by the Lynnwood Community League for Eric Wilson and Hayden Wilson to and including "preparation of draft evidence video into a Frankie video review session for legal counsel" total 16.8 hours or \$2,016.00. In addition, Veritas's invoice 15-790 indicates that fees claimed for Veritas's hearing preparation, video display assistance during the hearing and Eric Wilson's participation as a witness total 11.8 hours or \$1,416.00. In accordance with the findings in Section 4.1 above, the Commission grants 80 percent of those fees, for a total of \$2,745.60.

60. Veritas's invoice 15-787 also indicates that fees for Eric Wilson and Hayden Wilson after the initial draft of the video evidence was prepared total 18.7 hours or \$2,244.00. In accordance with the findings in Section 4.1 above, the Commission grants \$600.00 of the fees claimed for that portion of the work.

61. The Lynnwood Community League claimed a disbursement charge of \$825.00 for drone, camera, lens and computing equipment costs relating to Veritas's aerial drone operations. The league also claimed a disbursement charge of \$3,336.00 for the use of specialized graphics processing computer equipment and software. In accordance with the findings in Section 4.2 above, the Commission grants the full \$825.00 disbursement claimed for drone operations equipment and grants \$960.00 of the disbursement claimed for specialized graphics processing computers and software.

62. The Lynnwood Community League claimed a \$200 regulatory compliance charge in relation to Veritas's costs of insurance, regulatory charges and certification fees. In accordance with Section 4.3 above, the Commission does not grant that disbursement.

63. The Lynnwood Community League claimed a disbursement of \$852.00 for its share of Veritas's charge for providing a specialized computer to display the aerial video evidence during the oral hearing. In accordance with Section 4.4 above, the Commission grants the league the full \$852.00 disbursement charge that it claimed.

64. For the reasons provided above, the Commission approves the Lynnwood Community League's claim for consulting fees for Veritas Litigation Support in the amount of \$3,345.60, disbursements of \$2,637.00 and GST of \$299.13 for a total of \$6,281.73.

## 5 Order

- 65. It is hereby ordered that:
  - (1) EPCOR Distribution & Transmission Inc. (transmission) shall pay intervener costs to the Elmwood Residents Group in the amount of \$8,559.81. Payment shall be made to Deborah P. Bishop Professional Corporation (operating as Bishop Law) on behalf of the Elmwood Residents Group.
  - (2) EPCOR Distribution & Transmission Inc. (transmission) shall record in its Hearing Cost Reserve Account approved intervener costs in the amount of \$8,559.81.
  - (3) EPCOR Distribution & Transmission Inc. (transmission) shall pay intervener costs to the 190 Street Residents Group in the amount of \$7,773.57. Payment shall be made to Deborah P. Bishop Professional Corporation (operating as Bishop Law) on behalf of the 190 Street Residents Group.
  - (4) EPCOR Distribution & Transmission Inc. (transmission) shall record in its Hearing Cost Reserve Account approved intervener costs in the amount of \$7,773.57.

- (5) EPCOR Distribution & Transmission Inc. (transmission) shall pay intervener costs to the Lynnwood Community League in the amount of \$6,281.73. Payment shall be made to Ackroyd LLP on behalf of the Lynnwood Community League.
- (6) EPCOR Distribution & Transmission Inc. (transmission) shall record in its Hearing Cost Reserve Account approved intervener costs in the amount of \$6,281.73.
- (7) The amounts payable under this Order are in addition to the amounts payable under the Order in Decision 25195-D01-2020.

Dated on June 9, 2020.

#### **Alberta Utilities Commission**

(original signed by)

Anne Michaud Vice-Chair