



EnCana Corporation

Applications for Licences for 15 Wells,
Pipeline, and a Compressor Addition

Winborne and Twining Fields

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD

Energy Cost Order 2006-008: EnCana Corporation
Applications for Licences for 15 Wells, Pipeline, and a Compressor Addition
Wimborne and Twining Fields
Application Nos. 1393397, 1393399, 139340 et. al.
Cost Application No. 1460070

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

EnCana Corporation

**Applications for Licences for 15 Wells,
Pipeline, and a
Compressor Addition**

**Energy Cost Order 2006-008
Application Nos. 1393397, 1393399, 139340 et. al.
Cost Application No. 1460070**

1 INTRODUCTION

EnCana Corporation (EnCana) applied to the Alberta Energy and Utilities Board (EUB/Board) for approvals to:

- drill 15 vertical wells for the purpose of obtaining natural gas production from coal zones and shallow sands (Appendix 2 lists the surface location and purpose of each well applied for),
- construct and operate 46 pipeline segments to tie the proposed 15 wells and existing and future wells into existing infrastructure, and
- construct and operate a 1000 kilowatt gas compressor and inlet separator at an existing compressor station.

The Board held a public hearing in Torrington, Alberta, on April 3 to 6, 2006, before Board Members M. N. McCrank, Q.C., P.Eng. (Presiding Member), J. D. Dilay, P.Eng., and G. J. Miller. On October 31, 2006 the Board issued [Decision 2006-102](#).

On May 5, 2006 Gavin Fitch, of McLennan Ross LLP, filed an intervener cost claim on behalf of his clients the Torrington Landowners Group. Mr. Fitch also submitted a supplemental claim on August 2, 2006 and a second supplemental claim on September 6, 2006.

The Board received a response to the original cost claim from EnCana's counsel on August 22, 2006. As described in further detail below, EnCana did not provide any specific comments regarding the original cost claim, nor did EnCana file a response to the supplemental cost claims. Therefore the Board considers the close of the cost process to be August 22, 2006.

2 VIEWS OF THE BOARD – Authority to Award Costs

In determining local intervener costs, the Board is guided by its enabling legislation. In particular, by section 28 of the *Energy Resources Conservation Act* (ERCA) which reads as follows:

- 28(1) In this section, “local intervener” means a person or a group or association of persons who, in the opinion of the Board,
- (a) has an interest in, or
 - (b) is in actual occupation of or is entitled to occupy

land that is or may be directly and adversely affected by a decision of the Board in or as a result of a proceeding before it, but, unless otherwise authorized by the Board, does not include a person or group or association of persons whose business includes the trading in or transportation or recovery of any energy resource.

It is the Board's position that a person claiming local intervener costs must establish the requisite interest in land and provide reasonable grounds for believing that such an interest may be directly and adversely affected by the Board's decision on the project in question.

When assessing costs, the Board will have reference to Part 5 of the *Rules of Practice* and to its *Scale of Costs*.

Section 55(1) of the *Rules of Practice* reads as follows:

- Section 55(1) The Board may award costs in accordance with the Scale of Costs, to a participant if the Board is of the opinion that:
- (a) the costs are reasonable and directly and necessarily related to the proceeding and;
 - (b) the participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Board.

3 VIEWS OF THE BOARD – Cost Claims

The cost claims submitted by Mr. Fitch total \$56,802.16 and represent costs incurred by McLennan Ross LLP, Matrix Solutions Inc., and HFP Acoustical Consultants Corp. The claims also include attendance honoraria for Brad Bauer, Daryl Bauer, and Tim Kohler.

By way of letter dated August 22, 2006 counsel for EnCana submitted the following.

In accordance with the Board's request for comments on the Interveners' cost claim in the above-referenced matter, EnCana wishes to inform the Board that it takes no position with respect to the reasonableness of the costs claimed.

EnCana requests that the Board exercise its discretion in accordance with the Board's standard process of evaluating cost claims in relation to intervener participation in energy applications.

The Board has reviewed the cost claims in accordance with the guidelines set out in Directive 031A. The Board finds that the Torrington Landowner's intervention was efficient, well focused, organized, and provided for a clear understanding of the landowners' concerns. The Board found the testimony, cross-examination, and evidence filed to have contributed to the Board's understanding of the issues and to be of value and assistance during its deliberations.

While the Board does not take issue with the costs incurred as they relate to value and contribution the Board does not find it appropriate to approve any costs which are in excess of the Scale of Costs or have not been claimed in accordance with Directive 031A. Therefore,

mileage claims are approved at \$0.30/Km; support staff hourly rates are approved at \$45.00; and claims for overhead based upon percentages of the fees claimed are disallowed.

Based on the foregoing the following adjustments are made with respect to Matrix Solutions Inc.

- Mileage is adjusted from \$150.00 to \$90.00.
- Support staff hourly rate of \$66.00 is adjusted to \$45.00.
- Miscellaneous disbursements of \$243.32, based on 4% of the fees, are disallowed.

The following adjustments are made with respect to HFP Acoustical Consultants Ltd.

- Mileage is adjusted from \$228.36 to \$155.70.
- Word processing hourly rate of \$50.00 is adjusted to \$45.00.

Taking all of the foregoing into account, the Board approves costs for McLennan Ross LLP as claimed in the amount of \$37,877.11; costs for Matrix Solutions Inc. are approved in the amount of \$6,676.91; costs for HFP Acoustical Consultants Corp. are approved in the amount of \$10,305.90; and attendance honorariums, expenses, and associated GST, for each Brad Bauer, Daryl Bauer, and Tim Kohler are approved as claimed.

The details of the costs claimed and awarded are outlined in [Appendix A](#) attached.

4 ORDER

IT IS HEREBY ORDERED THAT:

- (1) EnCana Corporation shall pay intervener costs in the amount of \$56,334.97 as outlined in Appendix A attached.
- (2) Payment under this Order is to be made to:

McLennan Ross LLP
1600, 300 – 5th Avenue S.W.
Calgary, AB T2P 3C4
Attention: Mr. Gavin Fitch.

Dated in Calgary, Alberta on this 1st day of November, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

Original Signed by Thomas McGee>

Thomas McGee
Board Member