

September 4, 2024

Filed on AUC Engage

Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, AB T2P 0G5

Attention: Alexey Starkov


Dear Alexey Starkov:

RE: Bulletin 2024-16 Consultation on improvements to rates proceedings for transmission utilities

AltaLink is pleased to provide the attached feedback to the Alberta Utilities Commission (the Commission) to improve the effectiveness and efficiency of transmission rate proceedings. AltaLink appreciates the Commission's initiative in advance of its next General Tariff Application (GTA) and believes that there are immediate process improvements that will benefit rate proceedings along with longer term improvements that likely will require further engagement and longer lead time to implement.

AltaLink began preparing its 2026-2027 GTA earlier this year and anticipates filing on April 30, 2025. Given that preparations are well underway, AltaLink has categorized its feedback on each consultation topic based on short-term and long-term feasibility.

Sincerely,


[Emily Denstedt \(Sep 4, 2024 15:42 MDT\)](#)
Emily Denstedt
Director, Law & Compliance

Attach.



1. *Timing and coordination of upcoming general tariff and rate applications to support adequate resourcing, avoid delays and ensure predictable and consistent AUC processes.*

Applicable to GTAs filed within the next year

- a) Recommending that the AUC works with the utilities and intervenors in Fall 2024 to establish pre-determined process schedules for each utility, including filing date.¹ The process steps in the schedule could include, in the following order: issue list scoping, AUC information requests, intervenor information requests, intervenor evidence, reply evidence, oral hearing, and argument. Refer to question 2 for the discussion on negotiated settlement process.
- b) Recommending that the Commission issue a pre-filing issues list (based on the utility's prior GTA or known emerging issues) and require an issue list as part of the filing using pre-established thresholds for operating and capital expenditures. A final issues list could then be issued by the Commission once the application is filed and submissions are made by all parties. See below for the discussion on operating and capital expenditures thresholds.

Longer-term Suggestions

- a) Recommending setting out further process around timing and coordination between transmission facility owners beyond the existing AUC 24-month forecast process.
- 2. *Process improvements that could improve efficiency and outcomes of negotiated settlement processes (excluding revisions to Rule 018: Rules on Negotiated Settlements, which will be considered in a separate consultation).***

Applicable to GTAs filed within the next year

- a) Identifying when a negotiated settlement is required to start and end and what process steps must occur before negotiations start. AltaLink views formally requiring the negotiation settlement discussion to start earlier in the process (at the very least before the filing of intervenor evidence) will encourage earlier settlements and thereby improve regulatory efficiency.
- b) In order to optimize the negotiation process and reduce regulatory burden for all parties, AltaLink recommends that a negotiation brief be filed jointly by all intervenors of a maximum of 15 pages outlining their collective position.
- c) In past GTAs, AltaLink found that a shorter negotiation period (e.g. less than 2 weeks) led to effective and efficient negotiations.

3. *Extending and standardizing test periods (three years or longer) for all utilities.*

Applicable to GTAs filed within the next year

- a) Recommending that the AUC does not standardize test periods at this time because AltaLink's 2026-2027 GTA development is already underway.

¹ Refer to AltaLink's cover letter for its filing date.

Longer-term Suggestions

- a) Recommending that the AUC commence longer-term consultation on standardizing test periods given the stage of development that AltaLink is at for its upcoming GTA. In prior GTAs, AltaLink filed both 2-year and 3-year test periods and views that further discussion in a broader consultation initiative would be effective.
- 4. *Establishing materiality thresholds for capital. How should the materiality threshold(s) be applied (i.e., on capital expenditures or capital additions, on a program, sub-program or project level, should there be different thresholds for different categories, should thresholds be applied per year or per test period, etc.)? Should there be a different threshold for re-occurring programs versus new programs? What should the materiality threshold(s) be?***

AltaLink views both operating and capital thresholds to be important for efficient and effective reviews of tariff applications. AltaLink submits that any issue list should be strictly guided by established thresholds and that guidance from the Commission, such as Bulletin 2020-25, be adhered to by all participants. Further, AltaLink views that capital thresholds should have ranges for programs, sub-programs, or projects depending on the category and be considered by test period for capital and year for operating due to the timing variability of certain capital programs. The capital thresholds should also be on capital expenditures and not capital additions.

AltaLink recommends that interim capital thresholds are implemented for the GTAs filed within the next year while further in-depth review of capital thresholds by category is included in a larger and longer-term consultation process.

Applicable to GTAs filed within the next year

- a) Recommending implementing capital thresholds that will inform the issues list or scope of the proceeding, such as the following:
- new programs, sub-programs, or projects requiring business cases: adjust Bulletin 2006-25 \$500,000 threshold to account for inflation;
 - forecast trends, the change in forecast from the prior year to forecast test year for previously approved sub-programs or projects: 15% increase over the test period; and
 - variance explanations required for variances from approved to actuals (unit/scope of approved capital work and expenditures): more than 10% increase from approved forecast over the test period.
- b) Bulletin 2020-25 is clarified and strictly applied with respect to Operation and Maintenance costs.

Longer-term Suggestions

- a) Reviewing and consolidating Bulletin 2006-25, Bulletin 2020-25 and any future bulletin issued as part of this consultation, including a further consideration of capital thresholds and what capital thresholds are used in both the application and the issues list.

5. *Other opportunities for improvement identified by stakeholders attending the consultation.*

Applicable to GTAs filed within the next year

- a) Recommending a transition back to in-person hearings.
- b) Recommending flexibility as to whether oral final argument or written final argument is appropriate.