



WACHOWICH & COMPANY LLP^{*}
— *Barristers & Solicitors* —

September 4, 2024

Alberta Utilities Commission
Eau Claire Tower
1400, 600 3 Ave SW
Calgary, AB T2P 0G5

Attn: Alexey Starkov

Dear Alexey Starkov:

RE: Consultation on improvements to rates proceedings for transmission utilities

Consumers' Coalition of Alberta (CCA) outline of discussion points.

1. The CCA is a long-term intervener in Alberta and welcomes the opportunity to provide comments to the Alberta Utilities Commission (AUC) request to seek feedback to improve the effectiveness of rates proceedings for transmission utilities (per Bulletin 2024-16). Utilities operating as monopolies need robust and effective regulation which includes interveners to ensure there is a balance between the utility company's need for revenue with the consumers' need for affordable rates.
2. In dealing with monopoly utilities it is the regulator and regulation which allows the customers a forum for input.
3. The outline below is a high-level summary of the topics that the CCA intends to address in the virtual roundtable on September 12, 2024.

Timing and Coordination

4. Coordination of application filings and schedules between Utilities is important to address limited intervener resources, particularly when major applications are filed at approximately the same time. A longer term high-level schedule for application filings could benefit all parties by allowing all parties to plan for needed resources and coordinate among parties.

Process Improvements for Negotiated Settlements

5. The CCA supports using negotiated settlements and partial negotiated settlements. These are generally worth pursuing and have brought significant benefits to ratepayers in the last few years. Greater efficiency is possible, including improvements in disclosure levels (see below), providing information in a manner that supports a settlement and finding the balance between providing sufficient information with the need to obtain a settlement in a timely manner.

Test Period Characteristics

6. The length of test periods has important trade-offs that need to be addressed. There are also benefits and challenges to standardization of test periods.

James A. Wachowich, Q.C. Robert J. Wachowich

Materiality Thresholds for Capital

7. Materiality thresholds need to be monitored to prevent any abuses and addressed by each of the variables raised in Bulletin 2024-16, such as capital expenditures versus capital additions, program versus sub-program versus project, type of expenditure (re-occurring versus new, more predictable versus less predictable), etc. Assuming deferral account applications are included in this review, the size of the variance relative to the forecast cost is important, not just the absolute cost. Also, definition of each category can vary and may require flexibility when being reviewed. The extent and quality of business cases could be adjusted to reflect the cost of any given project or program.

Consultation Processes

8. Consultation processes can be improved, resulting in reduced costs for interveners and utilities. Consultations can start earlier and provide more detail on the front end of the process to enable reductions in disclosure processes later in the process.

Information Disclosure Levels

9. Improvements in information disclosure levels can improve trust and reduce cost. Alternative approaches will be explored, including more than one round of information requests in focussed areas of concern and/or utility commitments to fulsome disclosure.

Seams issues with other Applications

10. Resolving or improving seams issues with Compliance Filings, Facility Applications, Need Applications and Deferral Accounts Applications could improve effectiveness of rates proceedings. For example, decisions in Facility Applications can impact the ability to review costs in GTAs.

Seams issues with other Utilities

11. Greater use of generic proceedings could result in reduced regulatory effort, as already occurs with GCOC proceedings. Joint applications could also be included which avoid the need to involve utilities unaffected by a particular issue.

Summary

12. The CCA looks forward to providing input into this process and proposes to include the topics above, which include some preliminary remarks to indicate the nature of the feedback.
13. If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

WACHOWICH & CO.

Per:

JAMES A. WACHOWICH K.C.

Legal Counsel to the CCA.