



The Industrial Power Consumers Association of Alberta (IPCAA) is in receipt of Bulletin 2024-16 issued August 20, 2024, and respectfully requests the opportunity to present at the AUC roundtable on September 12, 2024. The outline provided below is for discussion purposes only and does not represent the formal position of IPCAA on any issue nor does it prejudice IPCAA from taking a different position from that suggested below in a future proceeding before the Commission.

Dustin Madsen has been retained by IPCAA to provide support in this process. Mr. Madsen is known to the Commission and has significant experience participating in previous transmission rate applications in Alberta. The AUC's Bulletin outlined a series of issues the Commission seeks feedback on as part of the roundtable discussions. IPCAA provides the following outline to assist with the AUC's roundtable discussions:

#### Timing and coordination

- IPCAA is most impacted by the applications of AltaLink and ATCO Electric.
- Staggered application filing deadlines are preferable.
- IPCAA has limited resources to dedicate to each proceeding and will coordinate with other interveners where interests are aligned.
- A minimum of 120 calendar days between the filing of each application would permit an opportunity for parties to test the first application through information requests and make meaningful progress towards a negotiated settlement and/or the submission of intervener evidence, before the second application begins.

#### Negotiated settlements

- Negotiated settlements have material benefits for all parties even if partially settled.
- Settlements have greater success when all parties are bargaining from relatively the same position (i.e., following information responses and ideally the filing of intervener evidence) to reduce the information asymmetry that exists.
- A preliminary settlement conference after receipt of information requests, and before intervener evidence, limited to 2 to 4 days would potentially reduce the issues subject to evidence, followed by a second 2-to-4-day settlement period

being tentatively scheduled following the filing of intervener evidence to assess opportunities to settle other issues.

#### Length of test periods

- Ideally, one utility should file first, for a two-year test period, with the second filing for a three-year test period. Alternatively, a continued staggered approach in the future is preferable including Commission approved filing deadlines where three-year filings are made.
- Four-year test periods bear significant risk absent an extensive review of alternative ratemaking approaches for transmission utilities akin to performance-based regulation.

#### Materiality thresholds for capital

- Materiality thresholds for capital programs are problematic, unless set at a very low level (i.e., less than \$1 million with an aggregate total limit set for the amount of capital programs that can be excluded from testing).
- Issues lists can be used to set the scope rather than materiality thresholds.
- Materiality thresholds should be based on the capital program dollars not the revenue requirement impact.

#### Other opportunities for improvement

- Both utilities are expected to file depreciation studies. A generic proceeding to address depreciation for AltaLink and ATCO Electric may reduce complexities for the GTAs while streamlining procedural efforts. Areas of commonality (i.e., HVDC substations and steel towers) could be addressed consistently without the need for duplicative evidence. Removing depreciation from the scope of the GRAs could improve settlement efforts, while also improving transparency. Placeholder treatment could be approved in each GTA pending the conclusion of the depreciation proceeding.