

September 4, 2024  
Alberta Utilities Commission  
Eau Claire Tower  
1400, 600 Third Avenue S.W.  
T2P 0G5

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**Re: Outline - Discussion on Improvements to Transmission Rate Proceedings**

The Office of the Utilities Consumer Advocate (UCA) has a legislated mandate to represent the interests of Alberta residential, farm and small business consumers of electricity and natural gas in Alberta in proceedings held before the Alberta Utilities Commission (“Commission”) pursuant to Schedule 13.1 of the Government Organization Act.

The UCA appreciates the opportunity to provide input to the Commission’s consultation on improvements to rate proceedings and believes efficiency, due process, transparency, and public credibility are vitally important to utility regulators, stakeholders and members of the public, whose interests are at stake in those regulatory proceedings. As the Commission is aware, the Government of Alberta’s key goals around red tape reduction initiatives are centered on making the business environment competitive while ensuring utility costs more affordable for consumers.

The UCA notes that there have been a large number of efficiency measures that the Commission has introduced and implemented over the last five years, and seeks to understand the key results that the Commission is striving towards with this consultation.

The following are the topics the UCA will discuss during the consultation.

**Timing Issues**

The UCA intends to provide feedback on timing issues. These issues are important as they determine the ability to retain experts, as required, to adequately review, identify key issues, and test aspects of general tariff and rate applications (GTAs). The timing of process steps that do not preclude or restrict this ability is critical.

### **Length of Test Period**

The length of test periods is also an important matter to the UCA. Three year test periods have been successfully negotiated or litigated in the past, however, given information asymmetry and concerns around forecast accuracy, longer test periods may be to the detriment of the consumers that the UCA represents, unless sufficient safeguards are in place.

### **Materiality Thresholds**

The UCA understands that materiality thresholds create efficiencies by focusing attention on material costs. These thresholds must be balanced by the need to ensure transparency so that total material project costs can be tested for veracity. A breakdown of costs by test year would reduce the ability to test total project costs. In addition, projects should be fully supported by detailed business cases that follow clear guidelines.

The UCA will further expand on these concepts in the upcoming stakeholder discussions.

Thank you,

Office of the Utilities Consumer Advocate