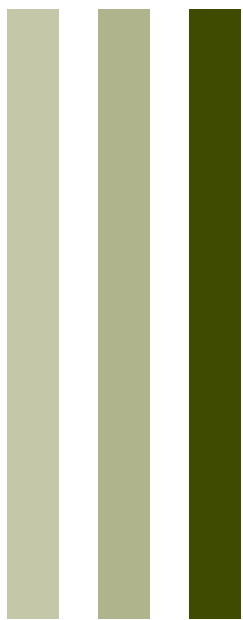




AUC

Alberta Utilities Commission

Alberta's independent utilities regulator



2024-2025 Report Card








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2024-2025 Report Card

overview

Alberta's energy sector witnessed considerable change during the 2024-2025 fiscal year. Public policy was the biggest driver of change. The most significant developments were the introduction of electricity market reforms, proposed changes to market design, reliability and transmission policies. Additional changes included the decision to phase out the regulated-rate option in the retail sector and the introduction of a new comprehensive framework for renewable generation proponents in Alberta. This framework builds on the establishment of the Ministry of Affordability and Utilities in 2023 and the associated increased policy focus on affordability issues in AUC regulation.

During the past year, the Commission worked diligently to ensure that its codes, guidelines and other policies are aligned with the province's new policy framework and to ensure that, as an organization, we are equipped to carry out our new responsibilities.

Over the longer term, as laid out in our new five-year strategic plan, the Commission will endeavor to address the regulatory challenges and opportunities presented by the evolving energy sector in a manner consistent with our core institutional values. These include: a long-term approach to issues, transparent processes and timely and clear outcomes.

To that point, this year's report card highlights a number of issues the Commission addressed during the 2024-2025 fiscal year.

- **Rule 007:** Conducted consultations on Rule 007, issued enhanced interim information requirements and released a draft blackline version of the rule for stakeholder feedback.
- **Rate of Last Resort:** Implemented the Rate of Last Resort, the fixed, two-year default rate provided by regulated retailers.
- **Time-varying rates:** Published a white paper with a cost-benefit analysis of enabling time-varying rates for residential and other customers in Alberta.
- **Optimized distribution planning:** Consulted with stakeholders on optimizing distribution network investment planning.
- **Technology:** Launched the AUC's eFiling System 2.0 and implemented the internal Artificial Intelligence and Machine Learning Centre.

Meeting the challenges to renew and modernize the sector will require significant new investment. That prospect has led to a sharper focus on the total cost to consumers. This underlies the importance of fulfilling our responsibilities in a cost-effective manner.

The Commission completed or advanced 100 per cent of its efficiency initiatives, contributing to a 27 per cent decrease in the cost of AUC regulation since 2008 and a current annual cost per regulated customer site of \$9.59 as compared to \$13.13 in 2008.

This result is especially impressive given the workload and initiatives undertaken. This year the Commission issued 747 decisions and processed 879 applications, including 101 checklist applications that have significantly reduced processing cycle times for more routine matters.

More details of the Commission's activities are set out in the body of the report card.



This year, I had the honour of being reappointed Chair of the AUC for another five-year term. I'm excited to continue guiding the Commission as we tackle the challenges of affordability, strengthen consumer confidence and accountability, foster collaboration, and drive meaningful progress across the organization.

- Chair Carolyn Dahl Rees



The energy landscape is undergoing significant and multifaceted transformation. Legislative frameworks and government policies are evolving, agency roles and responsibilities are being redefined, and the regulatory environment continues to shift in response.

I express my sincere appreciation to our entire team for another year marked by dedication and accomplishments.

- Chief Executive Bob Heggie



In accordance with Section 321(1) of the *Public Interest Disclosure (Whistleblower Protection) Act*, the AUC confirms that no disclosures were made or referred to the AUC's designated officer in 2024-2025.

Efficiency and limiting regulatory burden

The challenge:

The AUC must continue to review its activities to reduce or remove regulatory requirements that have become burdensome. How can the AUC ensure its regulatory processes are clear, timely and appropriate so as not to impose unnecessary regulatory burden, while ensuring the public interest is protected?



Objective	Outcome	2024-2025 Results
<p>Continuing to implement the recommendations from the Report of the AUC Procedures and Processes Review Committee to improve the regulatory efficiency of rate proceedings. For example, explore greater use of existing and new alternative dispute resolution approaches, including: advanced rulings, mediated settlements and consideration of revisions required to AUC rates-related rules.</p>	<p>Material, measurable improvement in regulatory effectiveness and efficiency.</p>	<p>The average time taken to process a rate-related filing in 2024-2025 was 29 days. This is down from a previous five-year average of 40 days. The AUC has significantly cut down processing time from the 10-year high of 156 days in 2015-16.</p>
<p>Conducting an annual industry impact assessment, as part of the AUC Annual Report Card, to evaluate the cost benefits and effectiveness of our processes, and to track continuous improvement through future business cycles.</p>		<p>The average time taken to process a large rate application was 162 days or approximately five months, compared to the previous five-year average of 277 days. While the AUC acknowledges that the average for these files will vary up or down from year to year, it celebrates consistently averaging less than a year to process its most complex rates files over the course of its 2021-2024 strategic plan. These averages compare favourably to prior years where the processing of a large rates file would, on average, take between 400-500 days.</p>
<p>Enhance and standardize the process, protocols and procedures for running effective and efficient virtual proceedings.</p>		<p>The Commission continues to explore how to encourage and support negotiated settlements between utilities and customer representatives that produce just and reasonable rates for customers. Settlements can reduce the time and resources involved in the regulatory process, which can save customers money and result in outcomes that both the utility and its customers support.</p> <p>In 2024-25, the Commission approved four rate-related negotiated settlement agreements. Notably, the Commission supported a negotiated settlement process that resulted in a new stable electricity rate for customers on the regulated rate of last resort.</p> <p>The AUC saved an estimated \$2.5 million through red tape reduction-related process improvements.</p>
<p>Review and revise Rule 009: <i>Rules on Intervener Costs</i> and Rule 022: <i>Rules on Costs in Utility Rate Proceedings</i> to promote consistent and effective participation in AUC proceedings and provide clarity to participants.</p>	<p>Effectively use the Commission's cost authority to improve participation and encourage efficient, issue focused proceedings.</p>	<p>The Commission enacted major amendments to Rule 022 on March 1, 2024 (the amendments to Rule 009 were minor). the Commission enacted major amendments to Rule 009 on July 1, 2025.</p>

Facilitating change in the sector

The challenge:

The energy sector is transitioning and facing ever more complex issues that concern an extended group of stakeholders. As the regulatory body responsible for regulating the natural gas and electricity sectors, what is the AUC's role in helping to understand the alternatives and implications of the inherent challenges the transition presents?



Objective	Outcome	2024-2025 Results
<p>Assessing the experience with performance-based regulation in Alberta to date, to determine if performance-based regulation should be continued and if so, whether the design can be improved to ensure efficient outcomes.</p>	<p>Understanding of the successes and limitations of the experience with performance-based regulation (PBR) to date, determining whether to proceed with a further PBR framework and improving any future PBR framework.</p>	<p>After establishing new PBR plans in Decision 27388-D01-2023, the Commission has continued to assess the impact of incentive regulation on utilities and customer rates. The AUC continues to explore opportunities to build on its continual improvement of incentive regulation in Alberta.</p> <p>The AUC also engaged with industry and customers on improvements to be introduced to the rate-setting process for transmission utilities. A number of improvements were subsequently introduced in Bulletin 2025-01.</p>
<p>Collaborating with the Alberta Electric System Operator (AESO), the Department of Energy and the Market Surveillance Administrator on a robust regulatory framework for electrical energy storage in Alberta.</p>	<p>Clear and comprehensive requirements that create certainty and consistency for market participants and promote efficient market outcomes.</p>	<p>The AUC conducted consultations on Rule 007, issued enhanced interim information requirements and released a draft blackline version of the rule for stakeholder feedback. The AUC included additional energy storage requirements in the draft blackline version of the rule and in the interim requirements document. Revisions to the rule were based on consultation feedback, the <i>Electric Energy Land Use and Visual Assessment Regulation</i> and the interim requirements.</p>
<p>Evaluating the development of uniform distribution planning and reliability requirements to better coordinate distribution and transmission planning and ensure overall system optimization and control costs.</p>		<p>Stakeholders were engaged in the development of a distribution system plan (DSP) framework which would focus on demonstrating optimization of the distribution system, now and into the future, as the industry evolves. Feedback from these engagements has been incorporated into a draft distribution system plan requirements document.</p>

| People

The challenge:

The AUC will play a central role as competitive forces and technological advancements continue to reshape the utilities sector.

The AUC's most important challenge will be to develop, attract and retain a diverse group of people with the skills, experience and education required to meet these demands, and to evolve more innovative and adaptive work approaches. But how?



2024-2025 performance metrics and statistics

747 

Decisions
issued

77 

Written
proceedings

879 

Applications
received

222 

Notices
issued

101 

Checklist
applications
received

60 

Hearing
days

\$9.59

Annual cost
per regulated
ratepayer
site annually

7 

AUC rule
updates

3,596 

Total annual
interactions
with Albertans

100% 

Efficiency
initiatives
completed or
ongoing

27% 

Decrease in
cost per
ratepayer
since 2008

\$443K

Net surplus

11 

Settlement
decisions

3 

Enforcement
decisions
issued

8 

Specified
penalties
issued

28 

Announcements
and bulletins

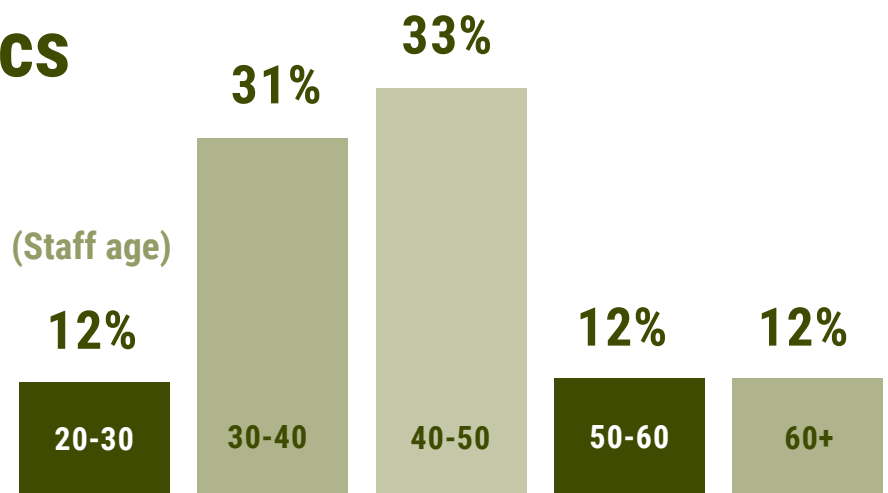
9 

Complaint resolutions
issued

Staff demographics

138
AUC employees

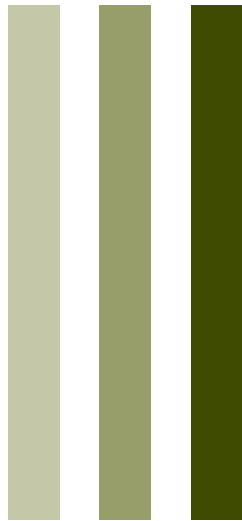
(includes students, casual,
part-time and full-time employees)





AUC

Alberta Utilities Commission



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AUC report cards and reviews:

www.auc.ab.ca/report-cards-and-reviews/