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# Regulating Alberta's Utilities

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Presentation for the  
Balzac Community Advisory Panel

April 14, 2009

The Alberta Utilities Commission regulates the utility sector, natural gas and electricity markets to protect social, economic and environmental interests of Alberta where competitive market forces do not.

- The Alberta Utilities Act
  - Bill 046 was passed by the Alberta Legislature on December 7, 2007
  - Established the AUC as of January 2, 2008
  - Independent Quasi-judicial agency of the Government of Alberta
- The Membership of the Commission
  - Appointed by the provincial government

# Why regulate?

- Natural monopolies
- Unbiased independent view to weigh the social, environmental and economic costs against the benefits
- ensures that facilities are built, operated and decommissioned in an efficient and environmentally responsible way
- Provide a review process and forum to review applications
- Provide oversight to the development and operation of the wholesale & retail markets

# Why regulate?

- Record and receive calls about customer concerns
  - pursuant to the approved rates and the terms and conditions of service
  - determines if an investigation is warranted
- Responsibility to ensure:
  - customers receive safe and adequate service
  - customers' bills are accurate and timely
  - service is reliable and that concerns are resolved promptly and fairly

# Why regulate?

- Utility Regulation is a balancing act
- Must be fair to both the utility and the customers
- Must be impartial and objective



## Utility Rates (electric, natural gas, water)

- Transmission, distribution and some retail rates
- Ensure utilities are allowed to recover their reasonable costs, including a fair return on their investment, while customers receive safe and adequate service at just and reasonable rates

## Electric and Gas Facilities

- Construction must be approved for the siting of new facilities to ensure that facilities are built, operated and decommissioned in an efficient and environmentally responsible way
- Power Plants Natural Gas Pipelines
- Power Lines Compressor Stations
- Electric Substations

## Markets

- Oversee development and operation of the wholesale and retail gas and electricity markets in Alberta

- We listen to the public and interested parties
  - Applications (most do not go to hearings)
  - Written & oral hearings
  - Consultation (rule development)
- Based upon the findings the AUC issues:
  - orders, licences, decisions and sometimes penalties where conduct does not support fair, efficient and openly competitive operation of the electricity or natural gas markets

## Develop rules

- Monitor Alberta's energy utility market
  - research on current and emerging energy utility issues in North America
- Identify best or preferred practices in other jurisdictions
  - analyze for applicability to the Alberta market
- Consult with stakeholders

# Facilities - Process and Public Involvement

Application Processes for Electric and Gas Facilities

Public Involvement in Facility Applications

## Application Processes for Electric and Gas Facilities

Application process is essentially the same for all types of electric and gas facilities:

- Applicant prepares and submits application
- AUC reviews application for completeness

Application is closed if key information is missing

AUC requests additional information if there are minor information deficiencies. Applicant provides information.

- Application is deemed “complete”

## Application Processes for Electric and Gas Facilities - Cont'

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- AUC issues Notice of Application

If no objections - application process continues routinely

If there are objections:

- Determine if parties have standing
- Concerns evaluated - may be dismissed if without merit
- Applicant tries to resolve with party
- Alternate Dispute Resolution Process (ADR)
- Hearing

- Decision on disposition of application

## Public Involvement in Facility Applications

### Before

Applicant undertakes Participant Involvement Program.  
(Applicant has to notify all potentially affected parties, address concerns, and document all public interaction activities in the application)

### During

Public objections/submissions in response to Notice

Public participation through ADR or Hearing process

### After

Review and variance request to AUC

Appeal to the Alberta Court of Appeals

For more information please visit

[www.auc.ab.ca](http://www.auc.ab.ca)

or

Contact us at (403) 592-8845 (UTIL)