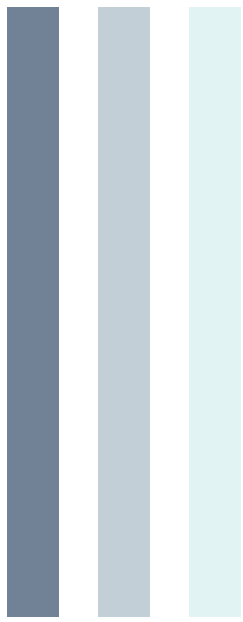




AUC

Alberta Utilities Commission

Alberta's independent utilities regulator



2020-2021

Report

Card





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AUC Chair Carolyn Dahl Rees on the AUC Report Card

I am pleased to share with you the Alberta Utilities Commission's report card for 2020-2021.

The report card is a core element of the AUC's planning framework. It highlights some of our key accomplishments over the past year and provides specific measurements of our performance.

It is part of our commitment to demonstrate to all our stakeholders how we have met our objectives in a clear and transparent way.

In my first year as chair, I can confidently say we have responded to the government's review of the organization by fundamentally examining and changing how we work with the ambition of being one of the fastest and most effective regulators in North America. The policy direction for the AUC was to focus on streamlining regulatory processes, reducing red

tape and increasing investor confidence. The AUC has worked to realize these goals while maintaining the fundamental requirements of due process for all parties.

The AUC has begun implementing many new initiatives and has made significant progress with the introduction of innovative approaches

in its adjudicative procedures to take a more assertive approach to case management. Our accomplishments over the past year signal to me that the AUC and

the companies we regulate have welcomed change and have embraced the opportunities to improve our effectiveness. We are off to a great start.

The COVID-19 pandemic continues to present unprecedented challenges to all Albertans. During these extraordinary times, our teams have excelled in their execution and

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teams have excelled in their execution and adaptiveness. It's through the diversity of skills, knowledge and experience of the Commission and its people that we have demonstrated terrific resiliency, co-operation and improved productivity while upholding our dedication to public service.

Efficiency is not just improved metrics in hearings and proceedings, but also in how we do our day-to-day work. We have found ways to deliver our work – including online meetings, information sessions and hearings – much more efficiently. These methods will be employed in our work over the long term.

As we have more applications resolved through mediated settlements, I expect to see greater cooperation between utilities and interveners. I find this particularly motivating as this initiative stood out as a major way of reducing turnaround times in other jurisdictions in North America.

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Additionally, we have made significant strides in our efforts to review and modernize our rules. We will continue to explore further opportunities to review our rules to increase efficiency.

These are just a few examples of the new approaches we implemented this past year. You have my ongoing commitment that we will remain focused on modernizing and continually improving how we regulate. This report card and

the reports we commissioned are full of great opportunities and we are already making good progress in many areas. I am optimistic for the year ahead.

Finally, I would like to acknowledge and thank the many stakeholders whose ongoing feedback, counsel and cooperation greatly support the work of the Commission. We look forward to continuing that work with you.

Carolyn Dahl Rees

Chair



Chief Executive Bob Heggie on the AUC Report Card

This past year has been the most challenging in the AUC's history. Essential reorganization and regulatory activity restructuring has been carried out against a backdrop of a global pandemic and our provincial government facing a financial crisis.

In the face of such external turbulence and associated uncertainties arising from the COVID-19 pandemic, the AUC has taken decisions and set in motion a number of initiatives that will work to alleviate regulatory uncertainty where it can.

The AUC successfully implemented the Utility Payment Deferral Program on behalf of the Alberta government. Starting with a concept, in a span of six weeks, the AUC staff engaged with the Alberta Electric System Operator, distribution utilities, retailers, the Balancing Pool and Department of Energy staff to develop a detailed plan on how the program was to work.

As a follow up to the [Distribution System Inquiry \(DSI\) report](#), the AUC's objective is to resolve all of the issues related to distributed energy resources, within the AUC's control, as soon as possible. The specific concerns identified include assisting the government of Alberta in clarifying the regulatory framework for electric storage project investments and to examine the terms and conditions of service for distribution companies, particularly as they relate to connection practices and associated costs.

Regulatory certainty will also come from identifying the issues and needs of the sector as we plan our work. Our practice is to develop our business objectives and priorities in three year increments. We recently [released our strategic plan for the years 2021 to 2024](#), the first plan under Carolyn Dahl Rees' leadership.

The strategic plan outlines two main outward-facing objectives: facilitating change in the sector and improving our adjudicative processes. I believe both objectives, if successfully implemented, will improve regulatory efficiency and create understandable and timely outcomes for stakeholders.

During the past fiscal year, the AUC has been implementing initiatives to meet these objectives.

Milestones include, in the Facilities Division, a 37 per cent average reduction in processing times across all application types from historical full-cycle processing timelines. These results include the material improvements realized through the successful introduction of the "trusted traveller" application type. This innovation resulted in 57 low-risk applications being processed in an average of six days as compared to the historical average of 16 days.

In the Rates Division, applications are being processed more quickly and decisions are being issued more quickly than in prior years. Total cycle time for all

application types has, on average, decreased by 33 per cent. In addition, process innovations are streamlining filings by substituting a notice-only process for files that were previously administered through a written process, and by decreasing the number of applications by combining applications into a single filing. This allows for a more focused and efficient allocation of resources.

In the coming cycle, the AUC has set an objective of establishing a new set of processing timelines for application types based on a thorough analysis of achieved performance results and stakeholder input. The objective is to establish the AUC as a top regulatory agency in North America in adjudicative efficiency.

Our work in the comprehensive consultation we conducted for distributed generation is a good example of how the AUC can facilitate change. By meeting with stakeholders and collecting comments, perspectives and expertise outside of our traditional hearing process, we are able to inform both our regulatory policy agenda and the government's policy agenda.

The AUC's response to the DSI report respects the difference between government and regulatory policy, while recognizing that the regulatory framework is important in implementing or shaping specific policy outcomes.

Operationally, the AUC has continued to deliver excellence while preparing for the fiscal future. For the past 10 years, the AUC has come under its budget target, including a 37 per cent reduction in IT spend. We continue to be a leader among Alberta's agencies, boards and commissions in cost management. To that end we have taken the decision to wind down our Edmonton office premises, with the ultimate aim of maintaining one office in Calgary.

“Operationally, the AUC has continued to deliver excellence while preparing for the fiscal future.”

We have re-directed the AUC by refreshing senior and middle management including reorganizing our staff complement. In evaluating our management team and organizational makeup, we confirmed our structure was largely sound, while rolling the technology and innovation and capacity markets ad hoc teams back into our existing divisions. Key management additions included welcoming Kristjana Kellgren as the executive director of Rates and the addition of Riley Georgsen to enhance two-way communication between the AUC and its constituents.

Internally we also focused on driving innovation through an employee-led initiative called Project Green Light, facilitating the development and implementation of new ideas. A recent employee survey indicated 81 per cent of employees believe innovation is valued in their work.

We placed a renewed emphasis on how we were communicating and connecting with stakeholders. As an organization we shifted to virtual hearings, consultations and meetings to facilitate conversations with stakeholders and applicants. We increased our efforts to regularly update, engage and communicate with stakeholders through more website updates, email announcements and digital media posts. At the same time we received an increased number of calls and requests about bills, rates and general inquiries. This engagement throughout the year was enabled by a cross-functional team who are quite simply all motivated and eager to find ways to make things work better at the AUC.

I can't express enough the level of gratitude I have for the tremendous flexibility and commitment everyone at the AUC has shown in continuing to perform with excellence.

Bob Heggie
Chief Executive

Our performance measures

Performance Measure		2020-2021 Results
<i>Market Oversight and Enforcement</i>		
1.a	100 per cent of decisions are issued within 90 days after the close of record.	100 per cent (78 out of 78)
1.b	100 per cent of decisions regarding micro-generation disputes are issued within 30 days after the close of record, as legislated.	No micro-generation disputes filed to date
1.c	100 per cent of decisions regarding uncontested reliability standards or ISO rule applications are issued within 30 days after the close of record.	100 per cent (18 out of 18)
1.d	100 per cent of all ISO rule notices are issued within five calendar days, as legislated.	100 per cent (9 out of 9)
1.e	100 per cent of all other notices are issued within established timelines.	96 per cent (26 out of 27)
1.f	80 per cent of code of conduct proceedings will have the record completed within established timelines.	100 per cent (3 out of 3)
1.g	No disputes between the market participants are being brought to the AUC for adjudication under rules 002, 003, 004, 010, 021 and 028.	100 per cent (no disputes brought forward)
1.h	Continue to develop asset monitoring reporting plans for the distribution utilities under the second generation of performance-based regulation.	N/A
1.i	75 per cent of consultation participants surveyed indicate they are satisfied with the effectiveness of the consultation process.	No consultations held in Q1-Q3 that required surveying
<i>Facilities</i>		
2.c	100 per cent of need, electric and gas pipeline facility decisions are issued within 180 days of the application being deemed complete.	92 per cent (58 out of 63)
2.d	100 per cent of application response letters are sent within 15 working days of the application being filed.	99 per cent (352 out of 354)
2.e	The AUC will conduct a minimum of one information session for each major facility application, and those applications proceeding to an oral hearing.	100 per cent (six information sessions completed).
2.g	80 per cent of proceeding participants surveyed indicate they understand the needs and facility application process.	92.3 per cent (across one information session and three hearing surveys, 12 of 13 respondents indicated they were treated fairly).
2.h	85 per cent of proceeding participants surveyed indicate they were treated in a fair, open and transparent manner.	75 per cent (across one information session and three hearing surveys, 18 of 24 respondents indicated they were treated in a fair, open and transparent manner).
2.i	Record development (<i>performance measure introduced August 1, 2019</i>) 90 per cent of category 1 - 3 applications complete the record development process within the following timelines: -Category 1 – (No notice, no objections, no information requests) - 5 business days -Category 2 – (No notice, no objections, minimal information requests) - 35 calendar days -Category 3 – (Notice, no objections, extensive information requests) - 90 calendar days 80 per cent of category 4 - 5 applications complete the record development process within the following timelines: -Category 4 – (Notice, objections, no participant information requests, evidence, argument) 120 calendar days	Average by Category (1-3) 85 per cent - Binary 96 per cent - Adjusted - AUC Average by Category (4-5) 53 per cent - Binary 92 per cent - Adjusted - AUC

Performance Measure		2020-2021 Results
	-Category 5 – (Notice, objections, participant information requests, evidence, argument) 205 calendar days	
2.j	Decision writing (<i>performance measure introduced August 1, 2019</i>) 100 per cent of facility Category 1 - 5 applications are decided within the following timelines: -Category 1 - 15 calendar days -Category 2 - 20 calendar days -Category 3 - 30 calendar days -Category 4 - 75 calendar days -Category 5 - 90 calendar days	Average by Category (1-3) 99 per cent - Binary 99 per cent - Adjusted - AUC Average by Category (4-5) 98 per cent - Binary 98 per cent - Adjusted - AUC
2.k	Five-day checklist: 100 per cent of decisions for low risk, checklist applications with no notice, no objections, and no information requests are issued within five business days of the application being registered.	100 per cent (23 out of 23)
Rates		
3.a	Notices or response letters will be issued for all applications within established target timelines.	100 per cent (256 out of 256)
3.b	80 per cent of the proceedings for each proceeding type will have the record completed within established target timelines including those outlined in Bulletin 2015-09 and AUC Rule 011.	88 per cent (88 of 100)
3.c	After the close of record on a proceeding, 100 per cent of decision reports for each proceeding type will be issued within 90 days or other applicable target timelines including those outlined in Bulletin 2015-09 and AUC Rule 011.	99 per cent (105 of 106)
Organization		
4.a	The employee satisfaction index as measured in the annual AUC Employee Survey meets or exceeds the AUC's five-year average of 80 per cent.	79 per cent
4.b	The work environment index as measured in the annual AUC Employee Survey meets or exceeds the AUC's five-year average of 77 per cent.	81 per cent
4.c	The organizational leadership/direction index as measured in the annual AUC Employee Survey meets or exceeds the AUC's five-year average of 77 per cent.	80 per cent
4.d	The AUC's satisfaction index, as measured in the stakeholders satisfaction survey meets or exceeds 85 per cent.	Survey cancelled.
4.e	AUC's stakeholders are able to access the AUC's website which includes the eFiling System 97 per cent of the time on business days between 7 a.m. and 7 p.m.	99.7 per cent
4.f	80 per cent of information technology system maintenance on the AUC's website including the eFiling System will occur during the regular scheduled system maintenance outages.	75 per cent
4.g	The AUC's annual financial statement audit and periodic systems audits do not result in recommendations published in the report of the Auditor General of Alberta.	100 per cent
4.h	100 per cent of costs decisions will be issued within 90 days after the costs application close of record.	100 per cent (72 out of 72)
4.i	40 per cent of costs decisions will be issued within 60 days after the close of record.	73.6 per cent (53 out of 72)
4.j	100 per cent of Stage 1 review and variance decisions will be issued within 90 days after the close of record.	100 per cent (20 out of 20)
4.k	85 per cent of complaints/inquiries will be responded to and closed within five working days.	98.3 per cent (3,484 out of 3,543)
4.l	No Commission decision for which permission to appeal has been granted by the Court of Appeal of Alberta will be overturned on grounds of procedural fairness.	100 per cent - no Commission decision successfully appealed in Q1-Q4.

The AUC's financial statements are included in the Ministry of Energy's [Annual Report](#).

Red tape reduction and efficiency improvements

The details of our approach to assessing the impacts of our initiatives – in particular how we monetized the internal benefits of improved processing times – involves estimating a daily internal employee standard cost to process simple, average and complex application types.

In April 2021, the AUC requested industry representatives to provide their assessment of estimated cost savings for each of the five efficiency categories using the AUC’s approach to monetizing benefits, outlined in [Bulletin 2021-08](#). The AUC recognizes that stakeholders did not use the AUC’s approach in every instance.

Our work below presents estimates that are expected to have a plausible margin of error associated with them. In the coming year we will work to standardize the approach to assessing cost savings.

Efficiency Category	No. of Proceedings	Total days saved	Improved approval time	Total internal and industry cost savings estimates
Assertive Case Management – exercising greater control over scope, interlocutory matters and hearing processes; consolidating multiple applications into one proceeding; and increased use of technical meetings including rulings on relevance of questions, responsiveness and need for undertakings, and early identification of intervenors.	420	8569	38 per cent	\$2,605,499
Application Streamlining – use of delegations, addressing agency duplication, trusted traveller concept, expediting compliance filings.	181	1427.5	37 per cent	\$633,608
Settlements – increased use of negotiated settlements and introduction of mediated settlements.	1	315	63 per cent	\$149,355
Business System Improvements - The AUC upgraded the eFiling regulatory system to allow for the management of confidential filings within eFiling.				\$154,900
Other – red tape reduction of rules and other regulatory requirements <ul style="list-style-type: none"> Rules 002 & 003 – reduced reporting frequencies and elimination of customer survey requirement. Rule 005 – eliminated reporting schedules and requirements. Rules 021 & 028 - Removed an obsolete error correction process requirement from both rules; removed infrequently used transaction requirements from both rules; and clarified the time frequency of requirements for meter data managers in Rule 021. Elimination of Transmission Access Charge Deferral Account proceedings. Elimination of future Balancing Pool proceedings. Elimination of construction progress reports for approved power plants. 				\$292,452



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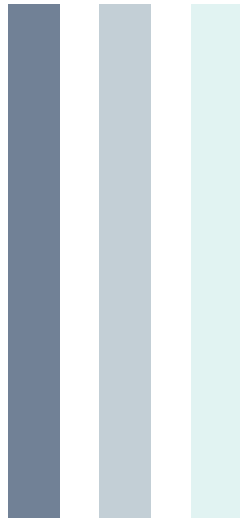
Alberta Utilities Commission

Vision:

To be a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.

AUC report cards and reviews:

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



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