

AUC

Alberta Utilities Commission

annual review | 2012

perseverance | compassion | innovation



Major accomplishments

The Alberta Utilities Commission was responsible for overseeing Alberta's natural gas, electricity and water utility sector, an industry with assets and annual revenue running into the tens of billions of dollars. On the electricity distribution side alone, the AUC's decisions impacted more than 2.1 million Alberta ratepayers. In fiscal 2011-2012, the AUC worked on four separate project files with individual values of more than half a billion dollars. We also informed government in the development of policy, determined the routing of transmission projects, set standards for the collection and use of billions of pieces of data of consumer information, established the standards for service quality and adjudicated contraventions in the wholesale electricity market, an \$8-billion-a-year marketplace.

Our role was to protect the public interest of Alberta, which involved balancing the needs and expectations of consumers with the requirements of industry to safely serve consumers in a cost-effective manner. This included determining the appropriate level of utility investment, return, rates and infrastructure and all of it had to be done in a manner that was fair, open and transparent.

AUC decisions affected the daily lives of all Albertans. Much of the detailed work now underway is aimed at assuring the long-term health and efficient operations of the utilities sector, to ensure adequacy in Alberta's electricity, natural gas and water networks, and to rationalize and streamline utility regulation. In all of these instances our goal is to

serve the public interest of Alberta, now and in the future. Numerically, in 2011-2012 the AUC issued more than 660 decisions, up nearly six per cent from the year before. This included:

- Releasing 160 rate decisions – along with 70 delegated authority letters.
- Issuing 400 facilities decisions, an increase of more than 25 per cent from a year earlier.
- Producing 86 law-related decisions.
- Making 18 markets decisions.

The AUC also conducted 133 proceedings, eight (6.4 per cent) more than the year before. Of these, 106 were written and 27 were oral. The number of oral hearings the AUC conducted was 50 per cent higher than in fiscal 2010-2011.

On the fiscal front, we completed the 2011 Generic Cost of Capital proceeding, setting the return on equity for Alberta's regulated utilities for two years, and on an interim basis for a third year. This return is designed to ensure utility owners have an opportunity to earn a reasonable return on their investment and that utilities meet prudent credit metrics. This decision also adjusted the equity thicknesses of certain utilities' capital structures to reflect changes in their circumstances.

In transmission, the AUC issued a thorough decision on the Heartland Transmission Project, Alberta's largest transmission project in several decades. The critical transmission infrastructure decision followed the AUC's most substantial oral hearing to date, conducted over 25 sitting days.

We also prepared for two other critical infrastructure project hearings; the Western Alberta Transmission Project and the Eastern Alberta Transmission Project. Decisions on these applications are expected in the fall and winter of 2012.

In the context of shaping Alberta's regulatory regime, we conducted consultations, received utility applications and completed final preparations for an oral hearing into the AUC's Rate Regulation Initiative on Performance-based Regulation, aimed at decreasing regulatory burden and increasing benefits to ratepayers while providing new opportunities for utilities.

Within our wholesale electricity market purview, we established a process for considering settlement agreements filed by the Market Surveillance Administrator for approval, including a pilot-project, optional expedited settlement agreement approval process.

And as grateful citizens of the communities in which we live and work we were pleased that for the fourth straight year the AUC set a new high in donations to our annual United Way fundraising campaign, once again exceeding our own internal targets.

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AUC Chair Willie Grieve on innovative and efficient regulatory solutions



Delivering innovative and efficient regulatory solutions in a fair, open and transparent manner is at the centre of the work and responsibilities of the Alberta Utilities Commission. Now and in the future.

Willie Grieve Chair

The challenges and successes of the AUC's fiscal 2011-2012, our busiest year ever, come into greater relief against this background. This was especially true as major facets of the Commission's mandate to regulate the utilities sector, natural gas and electricity markets to protect social, economic and environmental interests of Alberta where competitive market forces do not, attracted increased attention from stakeholders across the spectrum. While dealing with substantial increases in application volumes in each of our areas devoted to facilities, markets, complaints and law, many of which were uncommonly complex, we successfully oversaw a number of landmark regulatory files as well as several important internal projects. Our organization would not have been successful in this without the superb work of my fellow Commission members, who distinguished themselves with dedication, attention to detail and perseverance, and the efforts of our determined and talented staff.

As we moved into our fifth year of operations we were increasingly conscious of and focused on our public interest mandate and how that mandate is best exercised over the longer term. This is a purposeful development on our part, as a key foundational value of the AUC is to deliver innovative and efficient regulatory solutions for Alberta. To this end, we are looking at how we regulate, what styles and manners of regulation are applied to whom, when and how, what better alternatives there are to traditional methods and how those might be best applied for Albertans' benefit. We believe it is incumbent on us to focus our efforts to achieve outcomes that are in the Alberta public interest.

An example of this would be our comprehensive and collaborative exploration of performance-based rate-making, a transformative initiative designed to encourage efficiency and deliver benefits to consumers and utilities while reducing regulatory burden and cost. Another is the progress and evolution in our oversight of markets, where we adopted recommendations on Market Surveillance Administrator settlements. Those recommendations were produced using a roundtable consultation with market participants and other stakeholders and going forward will frame our decision-making in that area.

In our important and often sensitive facilities area we produced and delivered an exhaustive and thoughtful decision on the Heartland Transmission Project. That decision carefully explores important social, environmental and economic issues that sit at the heart of the public interest now and in the future. We also moved steadily forward with two other critical transmission infrastructure applications for projects intended to reinforce Alberta's electricity transmission backbone for generations. Internally, we prepared to replace our electronic records systems to ensure the information technology we offer to industry, interveners, ratepayers and the public remains state-of-the-art, user-friendly, accessible and reliable into the future – and supports our commitment to being fair, open and transparent.

All of these were major projects. We are also especially proud of our initiative to review Alberta's utility disconnection and reconnection practices to help vulnerable Albertans with utility payment issues. In my view this is a concrete and real example of the AUC serving the public interest.

These topics and others demonstrating the AUC's commitment to innovative and efficient regulatory solutions are explored in greater detail elsewhere in this review. None of these projects could have been accomplished without the tremendous work of the AUC staff and the leadership, wisdom and informed insight of my fellow Commission members.

Willie Grieve



Commission members 2011



Top row: Anne Michaud, Moin Yahya, Mark Kolesar, Bill Lyttle, Neil Jamieson, Kay Holgate
Bottom row: Tudor Beattie QC, Willie Grieve QC, Carolyn Dahl Rees

Chief Executive Bob Heggie on organizational excellence



Robert D. Heggie
Chief Executive

A recurring theme in reviewing the 2011-2012 reporting year is the AUC's efforts to introduce innovative approaches into its work.

We were all thrilled that the AUC was named one of Alberta's Top 55 Employers for 2011. This designation recognizes the best employers in Alberta that lead by offering exceptional workplaces. This recognition is a direct reflection of our human resources team which develops our exemplary employee benefits and forward-thinking human resources programs. It is also reflective of the combined effort of the entire organization in collectively making the AUC a great place to work.

During the year the AUC spearheaded a unique multi-party collaborative process that strengthened measures to protect vulnerable customers from being disconnected from utility service. While the review had already begun, the work was given added impetus by an inquiry report into the tragic death of John Davis in 2006. The case highlighted the difficulty of identifying vulnerable customers and connecting them with support agencies to assist them. The consultation resulted in a fresh and unique approach that will improve the ability to identify and assist those in need. The work, led by our Regulatory Policy Division, demonstrated a clear commitment by all stakeholders to work collaboratively to put the necessary safeguards in place.

Our comprehensive information technology strategy that we are in the midst of implementing will provide greater opportunities for electronic filing and retrieval of documents, all while saving stakeholders time and money. Internally, it will enhance efficiency and productivity across all users within the AUC. I'm pleased to report significant progress in selecting a new technology solution that, importantly, we will be buying rather than custom building. We will continue to work closely with stakeholders as we move to implement our chosen solution over the next two years. Enhancing our human resource capability, like improving our information technology systems, is a critical enabling tool to delivering on the Commission's work. The Commission faces two overarching challenges involving its workforce. First, we must shift part of our workforce from traditional forms of regulation to new forms more suited to a markets-based approach. Second, we must improve productivity and efficiency by bringing greater discipline to our operating priorities and resource-allocation decisions. The demand for our services continues to rise and our goal is to commit to projects and timelines that we deliver on. The key to handling this changing environment is our work in developing a human capital plan which will align our human resources efforts with our business planning objectives. In addition, we have started moving to a risk-based framework that allows us to focus on higher-risk activities while developing innovative, more efficient approaches to our lower-risk regulatory efforts. One area identified for improvement

was developing process certainty in our approach to files. A project in the Rates Division is examining this issue and promises a sharpened process with clearer accountabilities within teams and the assumption of greater responsibility by teams and their leaders.

As part of our commitment to improve the regulatory process, the Commission held a number of consultations, including one with market participants and the Market Surveillance Administrator with respect to process approaches to settlement agreements. We also consulted with wind power generation stakeholders. The consultation examined whether there are unique aspects of wind power generation projects that suggest changes to our application review process may be needed. The submissions from participants will directly assist the Commission in developing innovative strategies to address identified regulatory challenges facing this sector.

As is our established practice, we utilized an independent party to evaluate our performance in meeting our 2011-2012 business objectives. I'm pleased to report that this year's review confirmed we met 76 per cent of our performance measures. When circumstances beyond the AUC's control are considered, that figure rises to more than 86 per cent.


As part of our commitment to improve our operations we conducted our fourth annual employee survey. Once again the response rate was high – 93 per cent. Key strengths in the results include work satisfaction, job fit and good relationships with co-workers. Overall, our results stack up favourably with a comparable employer average.

These results are impressive given the workload this year. In addition to the various proceedings either completed or in progress, including the inquiry reports, the rate regulation initiative, watershed cases dealing with the rural electrification associations, wind power technical rules, line losses, Market Surveillance Administrator settlements and the Heartland proceeding, we also processed 408 rate applications, 465 facility applications, dealt with 91 market matters and held 133 hearings – 27 of them oral hearings.

In addition to our internal survey, we conducted our second survey of external stakeholders. As was the case last year, the results are gratifying as they demonstrate an overall high level of satisfaction with the AUC's performance. Particularly satisfying were the high scores given to our staff in providing assistance to stakeholders.

Our work is complex, dynamic, exciting and challenging. To sustain our high performance and continue to meet our objectives, new, innovative approaches will be required. Our Commission members and staff recognized this and collectively charted a course that resulted in another year of impressive progress and results. I'm confident this spirit of innovation will continue to serve us well as we face the challenges that lie ahead.

Robert D. Heggie
Chief Executive



“ The demand for our services continues to rise and our goal is to commit to projects and timelines that we deliver on. The key to handling this changing environment is our work in developing a human capital plan which will align our human resources efforts with our business planning objectives. ”

AUC A YEAR IN REVIEW 2011-2012

Fiscal 2011-2012 was the busiest year ever for the Alberta Utilities Commission, driven by substantial increases in the volume of applications or inquiries in facilities, markets, law and complaints as well as several important internal projects. Within this pool were a number of high-profile initiatives or files related to rates, markets and facilities that attracted heightened interest among stakeholders, within government and elsewhere, and which required considerable effort, focus and resources.

The AUC continued to refine and improve its processes and moved forward where appropriate with regulatory reform, to improve regulatory efficiency and reduce regulatory burden while ensuring all applications are fully reviewed and considered and the public interest of Alberta is met. The AUC remains focused on meeting its vision of being a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.

In our facilities area the number of applications and proceedings increased, in part around proposals for regional transmission reinforcement as well as a series of critical transmission infrastructure (CTI) projects previously identified by the government of Alberta. Throughout much of 2011 a multi-specialist team of the AUC led by AUC Chair Willie Grieve guided our process for the Heartland Transmission Project application, culminating in a 300-page decision issued in the fall. This decision followed the longest and most in-depth public hearing we have ever held, stretching over 25 sitting days at the EXPO Centre in Edmonton and Sherwood Park. The decision itself exhaustively discussed the issues brought forward, including location, land values, electro-magnetic fields, visual impacts and many more.

The AUC also spent considerable time and effort in preparing for two other CTI applications, for the Western Alberta Transmission Line, and for the Eastern Alberta Transmission Line. Although the AUC was asked and agreed to suspend temporarily its work on these files while the government sought additional expert advice on the need for the lines, the proceedings are renewed with oral hearings underway beginning in June 2012 and July 2012 respectively. These efforts have included community information sessions, deemed intervener standing status and early registration, part of a suite of process enhancements developed for CTI applications the AUC developed in 2010 and sharpened with the Heartland proceeding.

In the latest fiscal year the AUC also continued to explore how to exercise its mandate in its oversight of Alberta's wholesale electricity

market, a new area of regulation for the AUC when it was created in 2008. One area that had raised stakeholder interest and required greater clarity was the AUC's review and adjudication of settlement agreements filed by the Market Surveillance Administrator, particularly those accompanied by requests for confidentiality, those purported to contain privileged information and those of a conditional nature. Through a consultation with all market participants and interested stakeholders launched late in 2010, the AUC sought to create a process for these types of applications that would acknowledge the usefulness of negotiated settlements, would be efficient and which would instill public confidence through open and transparent proceedings. These efforts, which included discussion papers from two outside legal experts, oral and written representations from industry representatives and agencies

Facilities



Heartland

In our facilities area the number of applications and proceedings increased, in part around proposals for regional transmission reinforcement as well as a series of critical transmission infrastructure (CTI) projects previously identified by the government of Alberta.

and a roundtable forum, culminated in October 2011. In AUC Bulletin 2011-22 the Commission set out how it would henceforth address settlement agreements and introduced on a pilot-project basis an optional expedited settlement agreement approval process. This entire initiative and particularly the expedited settlement process option reflected the AUC's commitment to delivering innovative and efficient regulatory solutions. Later this year, at the end of the expedited process one-year pilot-project time frame, the Commission will assess whether it was a success and should become permanent, or whether modifications are necessary. Stakeholder response indicates that both the AUC's process in making these changes, and the results, have been viewed as positive.

Along with the wholesale electricity market, the AUC is also responsible for regulating Alberta utilities' terms and conditions of service. While this work might seem straight-forward, from time to time issues and circumstances emerge that have true life and death consequences and must be dealt with quickly and effectively. Such was the case in fiscal 2011-2012, when the AUC's Regulatory Policy Division spent a considerable amount of time and energy focused on leading groundbreaking changes to protect vulnerable consumers. Along the way the organization – from the top down – and a number of individual AUC employees went above and beyond what would normally be expected.

Markets

MSA settlements

This entire initiative and particularly the expedited settlement process option reflect the AUC's commitment to delivering innovative and efficient regulatory solutions.

Regulatory Policy

Vulnerable customers

These unprecedented AUC-initiated and led consultations paralleled efforts previously launched by the AUC to amend key Alberta legislation to allow us to specify and impose utility terms and conditions to protect vulnerable customers.

This initiative involved working closely with utilities and advocates for the disadvantaged, and leading the industry to change the rules and practices around utility disconnection and reconnection. It followed a May 2011 public fatality inquiry report that examined the tragic circumstances of a 2006 death in Calgary. The victim perished in his home from exposure to cold after his gas supply was shut off due to payments in arrears. Although the account was brought up-to-date the gas was never reconnected.

Immediately, the AUC moved to extend the winter moratorium on gas disconnections, and simultaneously launched a series of intense consultations with not only industry but advocates of the disadvantaged such as the Red Cross and the Aspen Family & Community Network Society and Alberta

government support agencies, along with information privacy experts from the Office of the Information and Privacy Commissioner of Alberta and the Utilities Consumer Advocate. (All but the utilities are outside the control or jurisdiction of the AUC, but were convinced to participate.)

These unprecedented AUC-initiated and led consultations paralleled efforts previously launched by the AUC to amend key Alberta legislation to allow us to specify and impose utility terms and conditions to protect vulnerable customers.

The result was the formalization of a series of industry actions and safeguards taken to protect vulnerable Alberta customers throughout the cold winter months and brought a number of social agencies together to ensure

that vulnerable customers who may not be able to look after their own interests do not fall between the cracks.

The AUC received many compliments from within government (including the Office of the Premier of Alberta), from the mother of the fatality victim and from third-party advocacy organizations. Among them was the Alberta Mental Health Patient Advocate Office, which wrote “thank you and kudos to the AUC for the thoughtful and community-minded outcome of its multi-stakeholder review of practices regarding vulnerable customers.”

Alberta’s largely deregulated utilities sector is unique in Canada, with multiple private-sector suppliers of generation, transmission, distribution and retail supply. Nonetheless, a major – arguably the most major – dimension

of the AUC's key, core responsibilities in rate setting revolves around determining a fair return for utility owners' invested equity capital, known as the generic cost of capital. This work speaks directly to the Commission's role of balancing interests between ensuring consumers receive safe and reliable utility service at just and reasonable rates, with ensuring utility owners have a reasonable opportunity to earn a fair return on their investment. In 2011-2012, the AUC conducted a major periodic review of the generic cost of capital, as well as determining whether a pre-set formula would be applied to adjust this cost on an annual basis going forward, and what that formula would be. A last dimension saw the Commission determine to what portion of each utility's capital structure the generic rate

would be applied, a measure known as equity thickness. Overall, this was an extraordinarily complex undertaking, aimed at determining an adequate balance of financial risk and reward for Alberta's regulated utilities sector that keeps the industry stable yet competitive while making sure consumers receive safe utilities at fair prices, all amidst a constantly dynamic financial and investment milieu that had been roiled by international financial events. In essence, the process requires exploring and understanding general economic and investment considerations, utility-specific economic and investment considerations and determines the potential profitability of Alberta's regulated utilities.

In its 2011 Generic Cost of Capital decision, the Commission trimmed utilities' return on equity to 8.75 per cent to reflect improvements in the global financial environment (and reduced risks) since the last rate-setting in 2009. Given still-uncertain financial markets, the Commission also chose not to impose a formula for annual adjustment, but rather to maintain the rate for 2012 at 8.75 per cent and on an interim basis, for 2013 as well. Lastly, the Commission chose to make minor adjustments to certain utilities' equity thicknesses, reflecting changes to their specific circumstances.

Rates

Generic cost of capital

This was an extraordinarily complex undertaking, aimed at determining an adequate balance of financial risk and reward for Alberta's regulated utilities sector that keeps the industry stable yet competitive while making sure consumers receive safe utilities at fair prices.



Rates

Performance-based regulation

A properly designed performance-based system incentivizes companies to operate more efficiently, using a formula that adjusts utility rate changes to inflation minus an enhanced efficiency or productivity factor.

In parallel with the 2011 Generic Cost of Capital as the AUC's most prominent decision in the rates area of its mandate last year, the Commission accomplished substantial progress in its self-initiated proceeding to examine an alternative to traditional cost-of-service rate-making. The AUC's Rate Regulation Initiative on Performance-based Regulation (PBR) is a major multi-year project of the AUC to reform utility rate regulation in Alberta. The goal is to find a better way for the AUC to carry out its mandate so that the legitimate expectations of the regulated utilities and of customers are respected. Traditional cost-of-service regulation has been criticized for both its regulatory complexity and for failing to encourage long-term efficient behavior by utilities by focusing on what costs are, rather than what they might be in a competitive

environment. In contrast, PBR is intended to create incentives for utilities to improve their efficiency and ensure those gains are shared with customers, while improving the efficiency of the regulatory framework to allow the AUC to focus more attention on prices and quality of service important to customers.

During fiscal 2011-2012, along with extensive and ongoing consultation on PBR with the subject utilities, several important milestones were met in the AUC's PBR initiative, including formal planning of the proceeding, the receipt of PBR applications from the utilities, the retention of an independent expert technical consultant to help inform the Commission in its decision making and several rounds of information requests among the participants. That was followed by final preparations for the

AUC's oral hearing on the matter, which got underway in Calgary on April 16, 2012 and continued over nearly four weeks. The AUC expects to issue a decision on PBR by late summer 2012.

Along with pursuing opportunities to improve and make more efficient how it regulates utilities, the AUC also seeks continually to improve how it operates as an organization and the tools and resources it offers to industry, to interveners, to other stakeholders and to the public. Arguably the most significant single interface between the AUC and those organizations and individuals it works with, regulates, assists or informs - as well as the reservoir of all our documents and data - is via our online computerized information technology regulatory systems, a trinity of what we call the

Integrated Application Registry, the Electronic Proceeding System and E-filing Services. AUC staff and Commission members, applicants and interveners, as well as outside audiences also use and rely upon these systems on a live basis during our oral hearings. While we are delighted they have displayed remarkable reliability, much of the system is custom-built, with extensive and often dated custom computer code that is costly and burdensome to maintain.

In fiscal 2011-2012, the AUC undertook a sweeping review of those systems, with an eye to modernizing, simplifying and making more user-friendly and more robust the computer information systems upon which we and all of our stakeholders rely. The intent was to shift from our largely custom-built systems to out-of-the-box, pre-built configurable technology. This review included extensive discussions

with an external stakeholder advisory group, our own AUC information technology advisory committee and visits to other Canadian utility regulators to view and understand their systems. Internal and external user priorities were identified around ease of use, search and find capabilities, and off-line use. A request for information was subsequently issued to find potential supplier solutions, which were then evaluated by a team that along with our information technology specialists included members from each of the AUC's divisions dealing with facilities, rates, markets and law. The two solutions deemed superior were then usability tested by an internal AUC team, and a final evaluation conducted based on functionality and cost. The resulting selection – a combination of Microsoft SharePoint 2010 for enterprise content and TotalAgility case management software for business processes – was approved by Commission members in

March, 2012. Implementation is now underway, with changeover for essential functions to be completed in the spring of 2013 and for non-essential functions in the spring of 2014. In the early months of fiscal 2012-2013 and going forward, the AUC continues to examine and implement ways to improve what it does and how it does it. We are also preparing for an inquiry into reducing the cost impact of north-south electrical transmission reinforcement assigned by the government of Alberta, the results of a review into Alberta's electricity retail market, and several milestone hearings and decisions related to PBR and critical transmission infrastructure. Overarching in all of this and in all of our work is our commitment to be a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.

Corporate services

Computer information systems

In fiscal 2011-2012, the AUC undertook a sweeping review of those systems, with an eye to modernizing, simplifying and making more user-friendly and more robust the computer information systems upon which we and all of our stakeholders rely.



Challenges made and met

As part of its ongoing performance-management and performance-improvement process, the AUC each year identifies and sets challenging performance targets tied directly to the organization's business plan. Our performance against these targets is then validated independently by a team from consultancy Solvera Solutions Inc. Here are the results for 2011-2012.

ORGANIZATION

Provide the organizational infrastructure to support the AUC in achieving its objectives and sustaining its values.

- ✓ The employee satisfaction index as measured in the AUC corporate employee survey is at least five per cent greater than the index of similar organizations participating in the government of Alberta annual employee survey.
- ✓ The work environment index as measured in the AUC corporate employee survey is at least five per cent greater than the index of similar organizations participating in the government of Alberta annual employee survey.
- ✓ The organizational leadership/direction index as measured in the AUC corporate employee survey is at least five per cent greater than the index of similar organizations participating in the government of Alberta annual employee survey.
- ✓ Ninety per cent of employees meet or exceed professional development expectations as defined in their annual performance plan.
- ✓ The AUC's satisfaction index, as measured in the stakeholders satisfaction survey is greater than 75 per cent.
- ✓ Ninety-three per cent of stakeholder requests for information not requiring redaction are completed within one working day.
- ✓ AUC stakeholders are able to access AUC business systems ninety per cent of the time on business days between 7 a.m. and 7 p.m.

RATE REGULATION

Rate making-related responsibilities will be carried out in a principled, effective and efficient manner.

- ✗ Notices or response letters will be issued for all applications within established target timelines. *(One notice for an audit exemption and one letter related to a franchise filing were issued beyond their target date.)*
- ✗ Eighty per cent of the proceedings for each proceeding type will have the record completed within established target timelines including those outlined in Bulletin 2010-16 and AUC Rule 011. *(Four proceeding types did not meet the target.)*
- ✗ 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 existing target timelines including those outlined in Bulletin 2010-16 and AUC Rule 011. *(One decision report was issued in 109 days.)*
- Eighty per cent of audit work will be completed within established target timelines and budgets. *(No audits were performed.)*
- ✓ Ninety-seven per cent of complaints will be responded to within existing target timelines:
 - Email and phone complaints; one working day.
 - Written (letter) complaints; five working days.

FACILITIES

Ensure understanding of, and confidence in, the impartiality, transparency and competence of the AUC in its timely and efficient review and oversight of energy projects and of the opportunities for meaningful participation.

- ✗ One hundred per cent of decisions are issued within 90 days after the close of record, in accordance with Bulletin 2009-25. *(Two decisions were issued after 90 days of the close of record.)*
- ✗ The AUC will determine 100 per cent of need and facility applications within 180 days of the application being deemed complete in accordance with Bulletin 2009-25. *(Three decisions were issued after 180 days of the applications being deemed complete.)*
- ✓ One hundred per cent of application response letters are sent within 15 working days of the application being filed in accordance with Bulletin 2009-25.
- ✓ The AUC will conduct a minimum of one information session for each major facility application, and those applications proceeding to an oral hearing.
- ✗ Eighty per cent of facility applications are processed within established timelines in accordance with Bulletin 2009-25. *(Sixty-five percent of facility applications were processed within established timelines.)*
- ✗ Seventy-five per cent of hearing participants indicate they understand the needs and facility application process. *(Sixty-five per cent indicated they understood the needs and facility application process.)*
- ✓ Seventy per cent of hearing participants indicate they were treated fairly.

REGULATORY POLICY

Facilitate the fair, efficient and transparent operation of the retail natural gas and electricity markets through the use of technical regulation.

- ✓ No disputes between the market participants are being brought to the AUC for adjudication under rules 002, 003, 004, 010 and 021.
- Decisions regarding micro-generation disputes are issued within 30 days after the close of record. *(No disputes were received.)*
- ✓ Regulatory requirements developed result in demonstrated benefits to market participants.
- ✓ Technical rules related to competitive retail energy markets are adopted or amended according to the timelines agreed upon by the industry stakeholders as part of the consultative process.
- One hundred per cent of decisions are issued within 90 days after the close of record. *(No decisions were required to be issued.)*

MARKETS

Support competitive markets by ensuring that market rules and reliability standards are fairly and consistently developed and market contraventions are fairly adjudicated. Ensure effective regulation through understanding markets and their operations.

- ✓ One hundred per cent of decisions are issued within 90 days after the close of record.
- ✓ Seventy-five per cent of all participants in markets hearings indicate that they were satisfied with the opportunity to present their views and were treated fairly.
- ✓ Ninety per cent of all ISO (independent system operator) rule notices are issued within five calendar days, as legislated.
- ✓ Ninety per cent of all reliability standards notices are issued within 10 business days.
- ✓ Ninety per cent of all settlement agreement notices are issued within 15 business days.
- ✓ Ninety per cent of all preferential sharing of records notices are issued within 10 business days.
- ✓ Ninety per cent of all objection and complaint notices are issued within 15 business days.
- ✓ Eighty-five per cent of participants in market proceedings brought before the Commission indicate they understand the hearing process.

- ✓ **Met performance measures**
- **Not measurable**
- ✗ **Did not meet performance measures**

Alberta's



In December 2011 the Alberta Utilities Commission was flattered and privileged to be selected as one of Alberta's Top 55 Employers. The selection, by the Canada's Top Employers organization (www.canadastop100.com) was based on our performance management; our training and skills development; our working and social atmosphere; our health, financial and family benefits; our physical workplace; our vacation and leave policies; our employee communications; and our community involvement. Employers are compared to other organizations in their field to determine which offers the most progressive and forward-thinking programs, with research on best practices led by Canada's Top Employers research partner, the Human Resources Institute of Alberta.

Vision

The Alberta Utilities Commission is a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.

What we do

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

How we do it

The Alberta Utilities Commission is fair, open and transparent in its regulatory processes and delivers sound principled decisions.

Values

We are impartial and objective.
We are accountable and strive for excellence in everything we do.
We treat everyone with dignity and respect.
We maintain and promote a positive work environment.

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