



# BUSINESS PLAN 2008/09

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## **ALBERTA UTILITIES COMMISSION**

The Alberta Utilities Commission (AUC or the Commission) is an independent, quasi-judicial agency of the Government of Alberta that ensures the delivery of Alberta's utility services takes place in a manner that is fair, responsible, and in the public interest. The AUC regulates investor owned electric, natural gas and water utilities, as well as some municipally owned electric utilities, to ensure Albertans receive safe and reliable utility service at reasonable rates.

The AUC is responsible for making timely decisions on the siting of major natural gas and electricity transmission facilities, as well as power plants. The AUC also makes rules relating to the operation of the retail natural gas and electricity markets, and adjudicates on market and operational rule contraventions that the Market Surveillance Administrator may bring before the AUC.

While the Minister of Energy is responsible for the AUC, it makes formal decisions independently in accordance with relevant statutes and regulations. The AUC's operations are funded 100% by industry.

### **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 the social, economic and environmental interests of Alberta where competitive market forces do not.

### **HOW WE DO IT**

The AUC 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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## STRATEGIC PRIORITIES

This business plan sets out for 2008/09 the fundamental initiatives and ongoing adjudicative work that are central to the AUC's regulation of the utility and market sectors of Alberta's economy. In it we have established objectives for our organization, strategies we will employ to achieve the objectives and measure to determine if we have succeeded in meeting the objective.

The following strategic priorities focus our work for this planning period and beyond:

### **PUBLIC CONFIDENCE**

We will enhance public confidence in the Commission's regulation by improving our regulatory processes to ensure they are effective, efficient, open and transparent.

### **PRINCIPLED DECISIONS**

We will provide timely, principled decisions and ensure that the public interest is considered in every application that comes before us.

### **INNOVATION**

We will focus on developing new and innovative approaches to traditional regulation.

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## CORE BUSINESSES

### **MARKETS**

The Commission provides expert analysis of energy markets, market performance and market data while supporting an adjudicative forum to ensure market integrity.

### **FACILITIES**

The Commission ensures that facilities within its jurisdiction are sited, built, operated and decommissioned in an efficient and environmentally responsible manner.

### **RATE REGULATION**

The Commission regulates investor-owned natural gas, electric and water utilities to ensure customers receive safe and reliable service at just and reasonable rates.

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# OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES

## OBJECTIVE **1** MARKETS

**Ensure market rules are fairly applied, competitive markets are supported and competitive rules and principles are enforced where necessary.**

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### Strategies

- 1.1 Identify and describe the individual statutory provisions the Commission exercises in relation to its various adjudicative market functions.
- 1.2 Establish and implement expert adjudicative processes for market proceedings.
- 1.3 Communicate roles and responsibilities with respect to new rules and engage AUC stakeholders on market developments.
- 1.4 Acquire or create a market information data base.
- 1.5 Constructively participate in the Alberta Electric System Operator rule development and revision process.
- 1.6 Facilitate the development of markets by implementing rules regarding advanced metering, energy efficiency and conservation programs.
- 1.7 Develop and update codes, rules and other regulatory instruments that support the operation of competitive markets for natural gas and electricity.

### Performance Measures

- 1.a 100% of decisions for all applications are issued within 90 days after the conclusion of the hearing or other proceeding.
- 1.b 75% of Market Surveillance Administrator proceedings reach hearing stage within 45 days of completed application.
- 1.c 75% of objection and complaint applications reach hearing stage within 75 days of completed application.
- 1.d The AUC will develop a market functions communication/education strategy and deliver 10 sessions by March 31, 2009.
- 1.e 80% of participants indicate that they understand the AUC hearing process.

## OBJECTIVE **2** FACILITIES

**Ensure meaningful participation, understanding and public confidence in the impartiality and transparency of the Commission for review and oversight of energy projects.**

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### **Strategies:**

- 2.1 Identify and describe the individual statutory provisions the Commission exercises in relation to its various facility approval or hearing functions.
- 2.2 Develop and establish rules that add clarity and certainty to the requirements and responsibilities of applicants and interveners in the following areas:
  - Notification and consultation
  - Quality of the application and submissions
  - Procedures and conduct in the hearing room.
- 2.3 Articulate principles by which the Commission will assess needs decision.
- 2.4 Develop a field presence which will respond and assist in the resolution of landowner concerns arising from existing facilities.
- 2.5 Develop and implement communication tools to explain and enable participation in Commission proceedings.

### **Performance Measures**

- 2.a 100% of decisions for all applications are issued within 90 days of the hearing conclusion.
- 2.b The AUC will determine 100% of needs and facility applications within 180 days of the application being deemed complete.
- 2.c 100% of application response letters are sent within 15 working days of the application being filed.
- 2.d The AUC will develop a needs and facilities communication/education strategy and deliver 10 sessions to industry and landowners by March 31, 2009.
- 2.e 70% of participants indicate they understand the needs and facilities application process.
- 2.f The AUC will draft, approve and implement a minimum of 3 new rules by March 31, 2009.

# OBJECTIVE **3** RATE REGULATION

**Ensure rate making responsibilities are carried out in a principled, effective and efficient manner.**

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## **Strategies**

- 3.1 Identify and describe the individual statutory provisions the Commission exercises in relation to its various rate approval or hearing functions.
- 3.2 Employ rule making as an alternative to litigation where appropriate.
- 3.3 Produce an “Alternatives to Traditional Rate Regulations” discussion paper for streamlining rate regulation. Consider a wide range of possible approaches including performance based regulation, reduction of deferral accounts, generic processes, and potential code of conduct efficiencies.
- 3.4 Improve regulatory efficiency and certainty by establishing principles through generic proceedings.
- 3.5 Explore alternatives to water utility regulation.
- 3.6 Streamline the rate application process by establishing appropriate timelines and information requirements regarding proposed new intervenor cost rules.

## **Performance Measures**

- 3.a 100% of decisions for all applications are issued within 90 days of the hearing conclusion.
- 3.b 100% of application response letters are sent within 15 working days of the application being filed.
- 3.c 80% of rate applications are processed within established timelines.
- 3.d Implement Intervenor cost rules by December 31, 2008.

# OBJECTIVE **4** ORGANIZATION

## Promote excellence, learning and communication throughout the AUC.

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### Strategies

- 4.1 Establish and implement employee recruitment, selection and retention programs.
- 4.2 Transform AUC shared systems into a stand-alone Information Technology infrastructure.
- 4.3 Consider alternatives to further align spending with corporate activities.
- 4.4 Begin developing an enterprise risk management plan.
- 4.5 Establish and implement a communication plan that fulfills the needs of the organization and facilitates understanding and respectful communication.
- 4.6 Standardize and rationalize all communication and regulatory instruments, issued by the Commission, including letters, decisions and orders.
- 4.7 Provide sound legal advice to all divisions and the Commission.
- 4.8 Effectively manage the transition of office space and design from old to new

### Performance Measures

- 4.a The employee engagement index as measured in the Corporate Employee Survey is greater than 74%.
- 4.b The quality of work environment index as measured in the Corporate Employee Survey is greater than 78%.
- 4.c The internal communications effectiveness index as measured in the Corporate Employee Survey is greater than 60%.
- 4.d Regrettable staff turnover is less than 5%.  
*Note: Regrettable turnover is defined as employees who voluntarily leave the AUC for reasons within AUC influence or control.*
- 4.e 75% of all AUC employees invest 12 hours, or more, per year on professional development.
- 4.f 90% of requests for information from Customer Information Services are fulfilled within one working day.
- 4.g 95% of complaints are responded to within one working day.
- 4.h The AUC will develop a Communication's Strategy that will be implemented by March 31, 2009.
- 4.i The AUC is fully accountable for the operations and maintenance of custom business systems transitioned from the ERCB by February 2, 2009.
- 4.j The AUC is fully accountable for the operations and maintenance of the remaining IT services by March 31, 2009.