

April 24, 2007

To: **Parties on the Implementation of the Uniform System of Accounts and Minimum Filing Requirements for Alberta's Electric Transmission and Distribution Utilities Mailing List**

IMPLEMENTATION OF A UNIFORM SYSTEM OF ACCOUNTS FOR TRANSMISSION FACILITY OWNERS AND DISTRIBUTION FACILITY OWNERS USA PROCESS LETTER

Introduction

In [Decision 2007-017](#) issued on March 6, 2007, the Alberta Energy and Utilities Board (EUB or Board) ordered all of the electric and distribution utilities under its jurisdiction to adopt and use for regulatory purposes the consensus Uniform System of Accounts (USA) and Minimum Filing Requirements (MFR) whose form and content were approved in principle in [EUB Bulletin 2006-25](#). In the Decision, the Board indicated it would issue a letter (USA Process Letter) canvassing¹ the views of parties on:

- the appropriate process for developing a transition plan;
- the roles and responsibilities and retention of an Independent Monitoring Contractor (IMC).

This letter is the USA Process letter. It includes a proposal to advance the USA-MFR implementation and invites feedback from interested parties with respect to the issues referenced above.

Background

In Decision 2007-017, the Board made several comments respecting the transition of and implementation by utilities to the USA-MFR. In particular, the Board noted that a transition plan would be required and would likely be developed with the assistance of the USA-MFR Committee or a similarly constituted committee.² Once developed, an Independent Monitoring Contractor (IMC) would be required to assist, monitor and review the implementation process.³

Given the work accomplished by the USA-MFR Committee in developing the USA-MFR, the Board proposes to reconstitute the USA-MFR Committee, with some adjustments, as the USA-MFR Implementation Advisory Committee (Committee).

Proposed USA-MFR Implementation Advisory Committee Scope and Membership

The Board suggests the following terms of reference for the Committee:

¹ Decision 2007-017, pp. 18 and 24

² Decision 2007-017, p. 18

³ Decision 2007-017, pp. 21 - 22

- The Committee is advisory to the Board.
- Determination of IMC terms of reference, issuance of RFP and selection. The Committee will use as an initial guide the Board’s comments respecting the IMC in Decision 2007-017, p. 22 including the proposed cost recovery process.
- Confirmation of cutover dates and identification of any variances from Table 5, Decision 2007-017.
- Development and confirmation of historical data restatement requirements.⁴
- Reporting and advising on any significant conversion issues which may impact or affect other utilities.
- Identification and refinements of accounts and sub-accounts and changes to the consensus document, if required.⁵

In order to keep the Committee to a manageable size and to ensure fair representation, the Committee shall consist of up to eleven members. A proposed membership list of ten members is set out below.

- EUB Staff Member (Chair).
- A representative from each of the Alberta Urban Municipalities Association, the FIRM Customer Group, the Industrial Power Consumers Association of Alberta and the Office of the Utilities Consumer Advocate.
- One representative from each of ATCO Electric Ltd., EPCOR Distribution & Transmission Inc., AltaLink Management Ltd, FortisAlberta Inc. and ENMAX Power Corporation.

Mr. Jan Thygesen, from the EUB’s Utilities Branch, will assume the role of Committee Chair. The Chair will be responsible for ensuring that the work of the Committee proceeds in a manner that would allow the major milestones and deliverables to be completed by the target dates. It is proposed that the IMC would provide assistance to the Committee Chair.

The major project milestones and timelines will be as set out in the table below:

Major Project Milestone	Target Date
Comments respecting terms of reference, committee structure and meeting frequency.	May 24, 2007
USA-MFR Implementation Advisory Committee Struck – if required (Stakeholders to advise the Chair of representatives)	May 31, 2007
Initial Committee Meeting – if required	June 15, 2007
Final Determination of Committee Terms of Reference	June 30, 2007
Determination of IMC terms of reference, issuance of RFP and selection of IMC.	August 31, 2007
1 st Quarterly meeting. Meetings to discuss status updates, confirmation of cutover dates, issue determination and resolution	September 12, 2007

The Board invites comments:

⁴ Exhibit 001, EUB Endorsed USA & MFR, Cover Letter dated May 8, 2006, p. 2

⁵ Decision 2007-017, pp. 22 - 24

- as to whether the proposed Committee approach is acceptable to parties or whether an alternative mechanism is required;
- contingent on the Committee approach proposed above, whether the proposed terms of reference discussed previously are acceptable or require changes;
- as to the terms of reference for the IMC as discussed in Decision 2007-017, p. 22.

Cost of Participation

For the purposes of submitting cost claims, the work of the Committee will be considered in the same manner as a utility proceeding and Committee members may seek recovery of reasonable costs of their participation in accordance with the Board's [Directive 031B](#) respecting Utility Cost Claims. It is expected that utility participation will be a revenue requirement O&M item to be recovered as are other expenses sought through general tariff applications.

Exchange of Information

The Board appreciates the work that all parties involved in the USA-MFR Committee have done to develop the USA-MFR approved in Decision 2007-017. The Board expects the new Committee to continue this work and to fully share any issues that may arise during the implementation phase and assist in cost effective resolution of those issues.

Comments with respect to above proposals and timelines are requested by May 24, 2007. Please forward your comments electronically to jan.thygesen@eub.ca and EUB.UTL@eub.ca.

Should you have any questions with respect to this matter, please contact Jan Thygesen at jan.thygesen@eub.ca or by phone at (780) 422- 4116.

Yours truly,

(Original signed R. D. Heggie)

R. D. Heggie
Executive Manager
Utilities Branch