

May 31, 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 IMPLEMENTATION MEETING**

**Introduction**

On April 24, 2007 the Alberta Energy and Utilities Board (EUB or Board) issued a letter (USA Process Letter) canvassing the views of parties:

- 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.

Comments were received, (and are attached as [Appendix 1](#)) from EPCOR Distribution & Transmission Inc. (EDTI), ATCO Electric Ltd. (AE), ENMAX Power Corporation (EPC), AltaLink Management Ltd. (AltaLink), FortisAlberta Inc. (Fortis), Industrial Power Consumers Association of Alberta (IPCAA), the Office of the Utilities Consumer Advocate (UCA) and the FIRM Group consisting of the Consumers Coalition of Alberta, the Public Institutional Consumers of Alberta, the Alberta Association of Municipal Districts and Counties and the Alberta Federation of REA's Ltd.

**USA-MFR Implementation Advisory Committee Terms of Reference (TOR)**

In its correspondence of April 24, 2007, the Board proposed to reconstitute the USA-MFR Committee, with some adjustments, as the USA-MFR Implementation Advisory Committee (Committee). The Committee would have the following terms of reference:

- The Committee is advisory to the Board.
- Determination of the Independent Monitoring Contractor (IMC) terms of reference, issuance of request for proposal (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.
- 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.

Although there were comments respecting the contents and scope of the TOR, no objections to the TOR themselves were received.

FIRM commented:

We note that the Committee is intended to be “advisory to the Board”. In terms of the mechanics of how this will work, FIRM suggests that the Committee prepare and file a report with the Board and have the Board then issue a decision on the Committee’s recommendations. This would be similar to the process followed with respect to the first Committee’s recommendations on the accounts for the USA/MFR.

The Board agrees that the Committee should prepare and file its report. Any further process requiring the Board’s direction or decision will be determined at a later date should the need arise.

### **Proposed USA-MFR Implementation Advisory Committee Membership**

In order to keep the Committee to a manageable size and to ensure fair representation, the Committee shall consist of no more than eleven members. FIRM remarked that the number of industry representatives on the proposed Committee totaled five while the number of customer representatives totaled four. FIRM suggested that as the FIRM group is comprised of four separate entities that it would be equitable for there to be two FIRM representatives on the Committee, bringing the total customer representatives to five. This suggestion is acceptable to the Board.

FORTIS noted that depending on the agenda for any given meeting, it may be appropriate for more than one person from FortisAlberta to participate. The TOR of the committee are at a relatively high level. Technical or other matters requiring specialized expertise should be handled by subcommittees who can then report to the Committee. This practise is similar to the one followed in the prior USA-MFR Committee.

The membership list is shown on [Appendix 2](#). Several parties have not designated representatives as of yet. Parties are requested to submit names by June 8, 2007.

### **Historical Restatement and IMC Terms of Reference**

Parties had various comments respecting the details of Historical Restatement and IMC TOR. As none of these comments suggested these items were not important aspects of the Committee TOR, the Board accepts the TOR as originally proposed.

Parties’ comments will not be discussed here, with the exception of AltaLink’s suggestion that the IMC process be expedited. The Board appreciates that suggestion. To that end, the Board has scheduled a presentation to be made at the initial committee meeting by Mr. Charles Buchanan of Cornwall Partners Ltd. Mr. Buchanan was retained by the Board and was actively involved in the first phase of the USA/MFR project and is familiar with the parties and the resulting Decision 2007-017. If Mr. Buchanan is acceptable to the Committee he will be retained. Should the

retention of Mr. Buchanan not be acceptable to the Committee, it will be necessary to issue an RFP for the selection of an alternate party.

### **Documentation**

For transparency purposes, the Board proposes to retain all correspondence, agendas, monthly reports and minutes on the Board's website under Current Projects, similar to the process utilized for the Tariff Billing Code Standards Project. A link to the page where this material will be maintained is provided below:

[http://www.eub.ca/portal/server.pt/gateway/PTARGS\\_0\\_0\\_261\\_241\\_0\\_43/http%3B/extContent/publishedcontent/publish/eub\\_home/news/current\\_projects/](http://www.eub.ca/portal/server.pt/gateway/PTARGS_0_0_261_241_0_43/http%3B/extContent/publishedcontent/publish/eub_home/news/current_projects/)

Any parties who object to the intended documentation process should advise the Board in advance of the first meeting.

### **June 14, 2007 Agenda and Next Steps**

As all parties supported the need for the USA-MFR Implementation Advisory Committee (Implementation Committee), the first meeting will be held as follows:

Thursday, June 14, 2007 – 9:00 am – 12 pm  
Alberta Energy and Utilities Board  
West Hall 2<sup>nd</sup> Floor  
640 - 5<sup>th</sup> Avenue SW  
Calgary, Alberta

The proposed agenda is as follows:

1. Introduction
2. Confirmation of Board Website as information repository
3. Selection of Independent Monitoring Contractor(IMC) and finalization of terms of reference for IMC
4. Presentation by Mr. Charles Buchanan of Cornwall Partners Ltd. ([Appendix 3](#))
5. Cutover dates and identification of any variances from Table 5, Decision 2007-017
6. Development and confirmation of historical data restatement requirements
7. Next Meeting

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

Yours truly,

*(Original signed J. C. Thygesen)*

Jan Thygesen  
Utilities Branch

Attachments

## **APPENDIX 1 – COMMENTS**

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Appendix 1 -  
Comments

(Consists of 17 pages)

## **APPENDIX 2 – COMMITTEE PARTICIPANTS**

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Appendix 2 -  
Committee Participant

(Consists of 1 page)

**APPENDIX 3 – INDEPENDENT MONITORING CONTRACTOR**

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