

March 7, 2013

The City of Calgary  
c/o Doug Evanchuk  
McLennan Ross LLP  
600 West Chambers, 12220 Stony Plain Road  
Edmonton, Alberta T5N 3Y4

Dear Sirs:

### **AUC Rule 002 consultations - reporting templates**

1. On January 24, 2013, the Alberta Utilities Commission (AUC or the Commission) held a stakeholder consultation to discuss the implementation of revised AUC Rule 002: *Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors* (Rule 002) released December 31, 2012. The discussion included a review of draft reporting templates. The City of Calgary (Calgary) was one of the attendees at this session and made comments regarding the necessity and requirement for reporting templates which provide for separate North and South reporting for the metrics applicable to ATCO Gas.

2. On January 31, 2013, the AUC received a letter, on behalf of Calgary (attached), expanding on its comments in that session. In its letter, Calgary explained its concerns with ATCO Gas reporting as a single entity for the purposes of Rule 002, as compared to stand-alone reporting for each of the North and the South. As such, Calgary recommended that the Commission direct ATCO Gas to track and report the underlying data and performance on a separate North versus South basis. Although Calgary submitted that it did not believe there were any operational or functional impediments to ATCO Gas tracking and reporting on this basis, Calgary indicated that the broader question of the applicability and merits of reporting, tracking, reviewing and enforcing compliance on a North and South basis for ATCO Gas can be properly dealt with by interested parties, and the Commission, as part of the consultations contemplated for April 2013.

3. While the Commission understands the concerns expressed by Calgary on the transparency of performance in both the North and the South, the Commission does not believe that it has enough information at this time to make a determination on the need for requiring ATCO Gas to report on a separate North and South basis for Rule 002. Therefore, for the purposes of the 2013 templates, ATCO Gas will not be required to make that change. However, the Commission agrees that further discussion on the applicability and merits of reporting, tracking, reviewing and enforcing compliance on a North and South basis should be examined in a separate stakeholder meeting. The Commission will schedule that meeting in due course.

Sincerely yours,

*(original signed by)*

Anne Michaud  
Commission Member

Attachment

**CITY OF CALGARY SUBMISSIONS**  
**AUC RULE 002 CONSULTATIONS**  
**REPORTING TEMPLATES**

**INTRODUCTION**

1. The City of Calgary (“Calgary”) has participated in the process established by the Commission in Decision 2012-237 for consultations to consider and implement revisions to AUC Rule 002 in order to address the requirement for service quality measurement (“SQM”) and reporting under performance-based regulation (“PBR”).
2. As a result of the first stage in the review process, the Commission approved changes to Rule 002 on December 31, 2012, with an effective date of January 1, 2013.
3. On January 24, 2013, the Commission held consultation sessions with Interested Parties concerning the design and implementation of reporting templates for the purposes of the revised Rule 002. Calgary attended those sessions.
4. Calgary does not, at this time, have any direct issues with the template format or data content proposed by the Commission.
5. However, as a follow up to Calgary’s comments at those sessions, Calgary wishes to expand upon its comments and concerns regarding the necessity and requirement for reporting templates which provide for separate North-South (“N-S”) reporting for the metrics applicable to ATCO Gas (“AG” or “ATCO”).

**SUMMARY OF CONCERNS**

6. Calgary is concerned with AG reporting as a single entity for the purposes of Rule 002, as compared to standalone reporting for each of the North and the South.
7. Calgary’s concerns are based upon and arise principally due to the following factors and features of the AG system as it operates today:

- Each of the North and the South have different rate levels, with rates in the North being higher; this will continue under PBR going-in rates based upon ATCO's PBR Compliance filing;<sup>1</sup>
  - The systems are operated using different nominal pressure bases: 80 PSI in the North and 60 PSI in the South;
  - There is joint trenching in the South but not in the North, thus there are different construction methodologies and equipment usage;
  - There are different operating parameters between the North and the South;
  - There are cost deltas for both operations and capital between the North and the South, with the North being more costly;
  - The North and South systems are not operationally interconnected, thus there is no system wide dispatch or load flow coordination.<sup>2</sup>
8. Additionally, with about 70% of the AG customers in Calgary and Edmonton, and with each municipality holding separate and long standing franchise and access arrangements with AG and its predecessors, Calgary submits that separate N-S reporting of service levels will provide each distinct group of customers the ability to review and confirm AG is not meeting system targets by trading off service performance in one region versus the other.
9. Accordingly, Calgary's submission is that AG should not be allowed the opportunity to use its total data, under a PBR regime, as compared to standalone N-S data, to demonstrate conformance with standards and metrics, when in fact it was over performing in the South and under performing in the North, or vice versa.

## **PROCESS FOR DETERMINATION**

10. Calgary is aware the Commission wishes to forthwith direct the use of reporting templates for the purposes of Rule 002 implementation.

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<sup>1</sup> See Proceeding 2130; Exhibit 0028.01 Appendix A and B.

<sup>2</sup> Source data supporting the above can also be found in AG 2008 – 09 GRA Evidence, Argument and Reply of the UCA at Sections 9.1 and 9.2 of each document. Proceeding 1553052 ID 11.

11. As such, Calgary recommends the Commission approve the AG reporting templates and direct their use by AG for Rule 002 purposes, on the condition that ATCO track and report the underlying data and performance on a separate North versus South basis.
12. Calgary does not believe there are any operational or functional impediments to ATCO tracking and reporting on this basis.
13. The broader question of the applicability and merits of reporting, tracking, reviewing and enforcing compliance on a N-S basis for AG can then be properly dealt with by Interested Parties, and the Commission, as part of the consultations contemplated for April 2013 viz. Rule 002 annual review meetings and enforcement process, to be commenced on April 9/10, 2013.