



**RULE 005 AMENDMENT TO INCLUDE
REVISED REGULATED RETAILER SCHEDULES**

RULE 005

Prepared by: Alberta Utilities Commission (AUC)

Document Version: 1.0

Disposition: Final

Authors

Date	Document Version	Document Revision Description	Document Author
May 13, 2010	1.0	As agreed to by the Participants at the April 28 th Meeting.	Silvia Danchuk

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1. Introduction and Background

Rule 005 identifies the annual reporting requirements of operational and financial results for regulated electric utilities and gas utilities, as well as those entities providing the Regulated Rate Tariff (RRT) and Default Rate Tariff (DRT). These entities include Owners (i.e. those entities owning the electric or gas distribution system) and their designated regulated rate providers or default supply providers respectively, hereafter referred to as the RRT and DRT providers.

The Rule 005 reporting schedules were initially developed to report regulated distribution and transmission utility (both gas and electric) results under a cost of service model that relies on a rate-base rate of return approach. Included in the current reporting requirements is a schedule that outlines forecast and actual return on rate base, including return on equity.

Most of the approved return for the RRT and DRT providers is currently linked to energy sales and/or non-energy costs. The remaining smaller portion of the approved return (mainly working capital) is determined using the traditional rate-base rate of return approach.

Since most of the return approved for the RRT and DRT providers is not currently developed using a rate-base rate of return approach but rather uses a margin approach, certain existing Rule 005 reporting schedules are of limited value. In addition, there is currently no schedule that allows stakeholders and the Commission to determine the actual net income (profitability) of the RRT and DRT providers, equivalent to the return on rate base schedule currently completed by regulated electric and gas utilities that shows the utility's actual return on equity. It is important that the same degree of transparency of financial health available for review by stakeholders for the regulated utilities be available for the RRT and DRT providers as well.

For the RRT and DRT providers, it is proposed that the existing revenue requirement schedule be replaced with an income statement schedule showing a breakdown of the revenues and expenses. This would allow stakeholders and the Commission to analyze and understand RRT and DRT provider earnings. In addition, it is also proposed that several existing schedules be deleted from the reporting requirements as they are not applicable, e.g. Schedule 2.0 – Summary of Return on Rate Base.

2. Purpose of this Document

To create a framework for which the intended amendments will be developed successfully.

3. Objectives

The objectives of this project are to determine amendments to Rule 005 – *Annual Reporting Requirements of Operational and Financial Results* that affect the RRT and DRT providers and that would provide stakeholders with a better understanding of their annual results related to their provision of services to DRT and RRT eligible customers.

4. Decision Making

Consensus between all participants will be sought for all issues. However it is fully expected that consensus is not always possible. Where consensus is unattainable, the views of the participants will be noted and the Commission will make a decision.

The proposed amendments to the rule will be posted on the AUC website to provide all participants and any other external stakeholders the opportunity to make a final comment before the Commission approves the amendments.

5. Discussion Scope

The following items are to be discussed and reviewed. Participants are invited to comment on other matters for consideration as to scope.

#	Scope Item	Description
1	Amended RRT Schedules 1 through 11	The format and composition of the amended schedules the RRT providers will be required to file on an annual basis. This includes definitions for the columns and line items.
2	Amended DRT Schedules 1 through 11	The format and composition of the amended schedules the DRT providers will be required to file on an annual basis. This includes definitions for the columns and line items.
3	Amended wording of Rule 005	The words to be included in Rule 005 setting the new reporting requirement for the RRT and DRT providers.
4	Amended filing timing requirements	The timing requirements for the annual filing by the DRT and RRT providers, as well as the timing for the 2009 compliance filing.

6. Stakeholder Comments on Process

The following table identifies the expectations of the project participants for the process and deliverables.

Expectations
<ul style="list-style-type: none"> All parties are to be treated equally regardless of size or industry. All parties to have an opportunity to be heard and be involved. AltaGas Utilities Inc. is attending to observe and to determine how or if they could comply with the new schedules. Meetings are Blackberry free zones. Turnaround of meeting notes and other relevant communication is 7 days, unless otherwise specified. That the groups should be able to complete much of the work during the full day working session.

7. Roles and Responsibilities

Each group has specific responsibilities to ensure the achievement of project objectives. Statements of responsibilities are outlined in the table below.

Group	Responsibilities
Project Sponsor	<ul style="list-style-type: none"> ○ Approve project charter ○ Review and accept project deliverables ○ Review and sign off on external correspondence, for example the bulletin ○ Review, amend and sign off on proposed amended wording to Rule 005
Facilitator	<ul style="list-style-type: none"> ○ Facilitate stakeholder sessions to secure input ○ Manage project to defined schedule
Project Manager	<ul style="list-style-type: none"> ○ Silvia Danchuk ○ Communicate project related matters to the participants ○ Assist in the resolution of issues ○ Ensure proposed changes be reflected in the impacted AUC rules ○ Develop project deliverables ○ Manage project to defined scope and objectives ○ Provide a monthly project status report to participants.
Stakeholder Representatives	<ul style="list-style-type: none"> ○ RRT & DRT Providers and Interveners ○ Champion the project within their respective organizations ○ Participate in project stakeholder sessions ○ Contribute positions for discussion at project stakeholder sessions

8. High Level Plan

To conduct a single (or if necessary several) working session(s) to discuss the proposed schedules and determine the final reporting requirements. Additional email correspondence, conference calls, or a video conference may be required where the anticipated benefit of the work does not outweigh the cost of a face to face meeting.

Step	Description	Target Date
1	Issue Bulletin to industry stakeholders and post on the AUC website.	April 8, 2010
2	Meet with the regulated retailers and other interested stakeholders to: <ul style="list-style-type: none"> - explain why the Rule Amendment is required; - review the proposed reporting schedules including new and revised schedules; - determine which existing schedules are no longer required; and - define in detail what each line item is to include (as necessary) 	April 28, 2010
3	Post draft template schedules on website for final comment by all stakeholders.	June 25, 2010
4	Receive final comments from stakeholders on proposed schedule amendments.	July 16, 2010
5	Amended Rule 005 approved and posted on AUC website, along with a matrix showing the stakeholder comments received and the Commission's response to the comments.	September 1, 2010

Step	Description	Target Date
6	RRT and DRT Providers file 2009 results (with 2008 comparatives) in compliance with the new reporting requirements	September 30, 2010

9. Deliverables

ID	Deliverable	Deliverable	Responsibilities		
			Project Manager	Stakeholder Representatives	AUC
D1	Draft RRT Schedules Templates	A draft set of RRT template schedules required to be completed by the RRT Providers, which are based on participant discussions and input.	Document	Develop, Review, Comment on	Review, Approve
D2	Draft DRT Schedules Templates	A draft set of DRT template schedules required to be completed by the DRT Providers, which are based on participant discussions and input.	Document	Develop, Review, Comment on	Review, Approve
D3	Schedule Guidelines	A draft guideline which defines the columns and line items in the draft template schedules.	Document	Develop, Review, Comment on	Review, Approve

10. Approach

10.1. Communication

- Email and/or memo will be the primary means of communication for the project.
- Documentation will be posted on AUC website, except emails.

10.2. Progress Reporting

- The Project Manager will develop and circulate a monthly project status report.

10.3. Issue Management

- Issues will be documented (Word, email) and forwarded to the Project Manager.
- Issues will be captured by the Project Manager in the project issue log.
- Issue status, and follow-up will be reported in the monthly project status report, if not dealt with immediately.

10.4. Change Control

- Changes to the project (scope, deliverables, schedule, etc.) will require the approval of the Commission.