

Bulletin 2008-12

June 27, 2008

RULE 025 ADMINISTRATION FEE

The Alberta Utilities Commission (Commission) on June 25, 2008, approved Rule 025, Administration Fee.

Rule 025 sets out the amount each utility under the jurisdiction of the Commission as well as the Independent System Operator is required to pay the Commission for the Commission's estimated net expenditures associated with carrying out its powers, duties and functions for the fiscal year ending March 31, 2009.

The Commission engaged the services of KPMG LLP Advisory Services (KPMG) to review the practices of a number of regulatory bodies throughout the world to understand how costs were allocated across their regulated utilities and other market participants.

In addition, the Commission, with the assistance of KPMG, developed a cost assessment model that reflected the Commission's newly created mandate and role. The guiding principles for the model were ease of administration and producing assessments that were fair, predictable, reasonable, stable and in keeping with industry best practices and generally accepted utility regulation. A copy of the KPMG study entitled *Alberta Utilities Commission: Cost Allocation Model Report April 2008* has been posted on the AUC web site.

Questions regarding Rule 025 can be addressed to Fino Tiberi by email at Fino.Tiberi@auc.ab.ca or by telephone at 403.592.4410.



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