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February 6, 2008

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Alberta Utilities Commission
Fifth Avenue Place
East 4th fl 425 - 1 Street SW
Calgary, AB T2P 3L8

Attention: Giuseppa Bentivegena

Dear Ms. Bentivegena:

Re: Alberta Utilities Commission process and cost recovery

James A. Wachowich
Andrew T. Holko
Richard R. Mirasty

We are counsel for the Consumers' Coalition of Alberta and are responding to the Utility Consumer Advocate (UCA) letter of December 21, 2007 (attached for your reference). Our client has requested that we point out their serious concerns with the intentions expressed in the letter from the UCA. Our client believes the UCA letter requires analysis and comment and may merit broader circulation to interested parties.

We are uncertain as to how and why the UCA can state its intervention will be the "primary intervention". We submit the UCA is in no way entitled to make this submission, nor is it proper for the AUC to condone this presumption on the part of any intervener. If the Alberta Utility Commission (AUC) starts picking favorites such as a primary intervener it is likely to severely compromise its independence as a utility regulator.

It is surprising that this assertion was made after Bill 46 was amended and passed into the AUC Act. Based on many public statements made at the time the Act was passed the UCA staff ought to know they are obliged to

work with all other interveners in matters before the AUC. This would appear to be most recently affirmed:

Over the coming year, the energy regulatory system will be enhanced. Albertans can have confidence in this system. The new regulatory bodies that have been established will bring renewed focus to ensuring that Albertans affected by energy development are engaged and respected as part of the decision-making process. *Speech from the Throne February 2008 – emphasis added*

The suggestion in the 3rd bullet of the UCA letter is also very disturbing. Justifying their proposal based on it being modeled on the California model is employing flawed logic. The UCA is making unsubstantiated claims about external and unrelated protocols, namely the very complex system of utility regulation in California. Alberta has a very workable and respected model where the regulator is independent of both the applicant regulated utilities and the many independent interveners. There is no clear or displayed need to embrace the significant process change proposed by the UCA. We submit the UCA proposal simply seeks to set itself up to control the intervener side of the utility regulatory agenda. This is not their statutory role. Further it is not fair to the many independent interveners and should not be condoned by an unbiased regulator such as the AUC. Lastly it is in our view, wrong.

Based on the history of balanced conduct by the AEUB our client fully expect the AUC will continue to conduct itself in a manner that treats all parties wishing to be involved in the regulation of utilities in a fair and impartial fashion.

We appreciate the AUC has committed to the task of revisiting the cost recovery rules and we hope to fully participate in that process over the coming months. By way of reply to this letter we would appreciate some

assurance from the Commission that it has not accepted or acted upon the December 21, 2007 letter from the UCA.

We trust you find the foregoing to be in order and should you have any comments, questions or concerns please do not hesitate to contact the writer.

Yours very truly,

WACHOWICH & CO.



Per:

JAMES A. WACHOWICH

Copy - AUC – attn: B. Heggie
UCA – attn.: C. Landreth
interveners
Attachment - UCA letter 21/12/07

December 21, 2007

Ms. Giuseppa Bentivegna
Alberta Energy and Utilities Board
Law Branch
5th Floor, 640 – 5th Avenue, S.W.
Calgary, Alberta T2P 3G4

Re: 12-10-07 Draft AUC Rules on Intervener Costs

Dear Ms. Bentivegna:

In addition to specific comments contained in the attached document with regards to the draft intervener cost rules, the Office of the Utilities Consumer Advocate (UCA) is providing this additional information to be of assistance to the AUC in the development of its new rules and procedures.

- The UCA will be undertaking comprehensive and primary intervention on behalf of residential, farm and small business consumers in all applicable cases before the AUC.
- The UCA will not be requesting intervener cost recovery for its participation in those proceedings.
- The UCA would recommend that, in order to avoid the duplication of positions before the AUC, and in order to avoid placing parties at risk of disallowance due to duplication of positions taken by the UCA, that the UCA provide its information requests, evidence and arguments in advance of other interveners. This is the model employed before the California Public Utilities Commission with a similar blended representation model. The UCA recommends the AUC incorporate this concept in its hearing processes and rules.
- All intervention budgets for the UCA will require the approval of the UCA Governance Board. As the UCA will not be applying for cost recovery, and as there will already be a responsible authority with regard to UCA expenditures, it is not seen to be necessary for the UCA to undertake detailed budgets for the AUC. However, if it is of assistance, the UCA could provide its actual expenditures to the AUC following each hearing.

Should you have any questions with regard to this matter please contact the undersigned at (780) 644-5476.

Yours truly,

<sent via e-mail>

Ron Henderson
Manager, Regulatory Affairs
Office of the Utilities Consumer Advocate

cc. Mr. Larry Sirman, Chair – UCA Governance Board
Mr. David Gray, Executive Director - UCA