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May 30, 2008

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Doug Larder Q.C.
Alberta Utilities Commission

Via e-mail

Re: AUC Bulletins 2008-001 and 2008 - 005

I am writing on behalf of the Consumers' Coalition of Alberta (CCA) to provide the attached comments as a follow up to the AUC meeting in Edmonton on May 20th. We have attached a copy of the AUC memo with some tracked changes to better reflect the CCA comments during that meeting.

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

Further we provide additional comments on the five areas covered in the May 20th meeting.

What is the purpose of intervener cost awards?

The CCA does notes there was no significant disagreement or dispute on this point. We note comments that the PUB's 1989 review of costs dealt with this concern and we recall a mid 1990's AEUB process in Calgary that similarly touched on this issue. We submit "nothing has really changed" when it comes to the purposes of cost recovery for intervenors. The CCA continue to support cost recovery for all legitimate intervenors in regulatory proceedings that may impact the revenue of or the rates or charges of regulated utilities.

Role of the Utilities Consumer Advocate (UCA)

This issue is perhaps the most contentious of the five areas covered. The CCA was somewhat surprised by the letter from the UCA advisory board. The CCA is still awaiting any further action from the UCA on this promise to work with other intervenors. The CCA appreciates that notwithstanding the UCA assertions that it is proactive in defining its own role the AUC must define how it, as an

unbiased regulator, intends to treat the UCA as a participant in utility hearings before the AUC. We have submitted that the AUC should not afford the UCA any special status among intervenors and we stand by those comments.

Business Interest Rule

We note from comments made this issue is not of direct concern to those intervenors, like the CCA, who are not impacted by a business or commercial interest rule. We do however note the utility and intervenor sides of the equation which may be impacted have made comments and the CCA submit AUC should develop and employ a rule that allows participation of interested parties and is fair to those affected.

Costs Officer

Notwithstanding the limited contact with the AEUB cost officer, Mr. Kennedy, the CCA submits a protocol for contact to the Commission on cost issues should be established and published.

Other – Scale of Costs

The AUC has clearly heard the scale is out of date and does not reflect the realities of the current market. Additionally the matters of disbursements for hotels and mileage should be updated and a frequency and method of future updates should be established. Lastly we note the AEUB had previously referenced a proposal for treatment of transcripts that would remove this expense from individual participants.

Historical levels of Cost claims

The CCA notes in the data supplied by the AUC the costs are stated as yearly but the hearings they represent may be from a period outside the year in which the individual bar in the chart represents so there is some lag built in.

We note the amount is much lower in 2007 and given the point above we submit the 2007 cost orders likely reflects work from 2006 (and possibly earlier). Also in the period 1996 to 2007 there were major hearings on more generic issues such as cost of capital and transmission congestion management. These are costs over

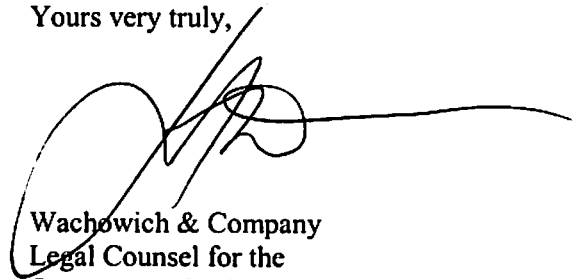
and above the "true rate hearing" regulatory costs. Further there are costs from the various corporate restructuring and corporate asset dispositions in that same time and again these are not pure utility rate regulatory events.

The revenue requirements of major utilities in Alberta is in the billions of dollars a year so the all inclusive - pure regulatory costs (AEUB/AUC, all Applicant Utilities and intervenors)attributable to utility regulation and not de-regulation etc. are reasonable costs incurred to operate a surrogate for competition for the regulated monopoly utilities operating in Alberta.

These costs are paid for by customers through their rates yet somehow the thought that customers or their representatives could get paid from customer money is criticized. Regulation of the monopoly public utilities operating in Alberta has delivered real benefits to all Albertans. These benefits come at a cost and we submit that cost is reasonable.

We thank the Commission for the opportunity to participate in this process. We trust you find the foregoing and attached to be in order and should you have any comments, questions or concerns please do not hesitate to contact the writer.

Yours very truly,

A handwritten signature in black ink, appearing to read 'J. Wachowich', with a long horizontal line extending to the right.

Wachowich & Company
Legal Counsel for the
Consumer's Coalition of Alberta
Per: James A. Wachowich