



2008 September 15

Mr. Willie Grieve, Chairman  
Alberta Utilities Commission  
Fifth Avenue Place,  
4<sup>th</sup> Floor, 425 – 1 Street SW  
Calgary, Alberta T2P 3L8

Dear: Mr. Grieve

**Re: ELIMINATION OF INTERVENER COSTS FOR PARTICIPATION IN ALBERTA  
UTILITIES COMMISSION (AUC) HEARINGS**

Pursuant to the AUC's currently proposed changes to its Rule 22 – Intervener Costs, municipalities are to be made ineligible for recovery of intervention costs. This clearly contravenes the intention of the Alberta Government in amending Bill 46.

Bill 46, when first introduced, proposed to eliminate most intervener funding. As a result of objections from many parties, including a letter from Mayor Bronconnier to Premier Stelmach, amendments were introduced to Bill 46 that restored intervener funding.

Now the AUC, after a period of discussions with stakeholders, is proposing, via regulation, a revision to Rule 22 that effectively removes cost recovery for most interveners, including municipalities. This directly contravenes the Government's stated intention when Bill 46 was amended in November, 2007.

Alberta Energy has stated publicly that the amendments to Bill 46 were to allow the AUC the discretion to provide funding to a local intervener or other interveners in a hearing or other proceeding – just as its predecessor, the Alberta Energy Utilities Board did previously. The rationale provided by Alberta Energy was to allow the AUC to provide any intervener with funding in respect of hearings or other proceedings to ensure the public interest is fully considered in AUC decisions.

On 2007 November 27, Energy Minister Mel Knight stated that "Under the amendments (to Bill 46) all interveners will be eligible to apply for funding in any regulatory hearing or proceeding, just as they do today". The Premier re-iterated these points at his 2007 November 30 speech to the AUMA in Calgary.

**Is it the intent of the AUC to reverse government policy through regulations and to again attempt to eliminate intervener cost recovery? If that is the intent it is contrary to the Provincial Government's publicly stated intention when it amended Bill 46.**

## The Role of Municipal Government vs. Business Interests

In its Bulletin 2008-016, the AUC clearly considers municipalities to be similar to "for-profit" corporate entities that are ineligible for cost recovery under the business interest rule. The business interest rule has now been expanded to include any participant capable of raising revenue and advancing its own interest in a proceeding. This is totally unacceptable to The City of Calgary (Calgary).

Municipalities are not "for profit" organizations. Calgary is legislatively required to serve Calgarians pursuant to the *Municipal Government Act*. Regulatory interventions are directed by elected representatives who are protecting the interests of their citizens. Calgary is obliged to act in the interests of its citizens. Calgary's costs should be eligible for cost recovery similar to the utilities whose applications give rise to these regulatory intervention costs.

Efficiency and fairness is maintained in the current process. When a utility makes an application to the AUC it does so to advance its own interests. It is the utilities' customers, not its shareholders that pay for the utilities' application costs through the hearing reserve. When an application is filed that proposes changes affecting the interests of a municipal government and its citizens, then the municipality is forced to incur intervention expenditures that would otherwise not be necessary. When a utility forces an expense upon a *municipal* government to further the utility's own interest, then fairness dictates that the cost claim mechanism allow cost recovery for the municipality.

For the reasons noted above it is respectfully requested that you make the relatively minor edit of removing municipalities from the list of ineligible interveners in the proposed revision to Rule 22.

Yours truly,



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Cc: Mayor Dave Bronconnier  
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