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CITY OF EDMONTON

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September 12, 2008

Reference No.: 0405-15

Robert D. Heggie  
Chief Executive  
Alberta Utilities Commission  
#400 5<sup>th</sup> Avenue Place  
425 – 1 Street SW  
Calgary, Alberta T2P 3L8

Subject: **Alberta Utilities Commission Letter of July 31, 2008 (Bulletin 2008-16)  
re Draft Revised Rule 22,  
*Rules on Intervenor Costs in Utility Rate Matters***

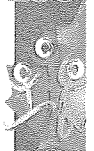
Dear Mr. Heggie:

I am writing to provide the input of City of Edmonton Administration in the above matter. Due to the timing of these proceedings, we have not yet been able to obtain City Council's views, but expect to do so over the coming weeks.

Our main concern is with the changes you propose which will eliminate cost recovery for municipalities such as Edmonton (and for almost all other parties who have typically intervened on behalf of various consumers of regulated utility service) solely on the grounds that such interveners are assumed to have the ability to "raise funds" and thereby are assumed to be able to absorb the costs of intervening. This extreme broadening of the formerly limited business interest rule should be reconsidered. The benefits in terms of reduced costs to the Alberta Utilities Commission (mainly related to elimination of the Cost Officer position) are likely to be minor, while the increased costs related to the new fund-raising requirement throughout the various intervenor groups will probably be quite significant. The practical difficulties of forecasting intervention funding requirements for inclusion in budgets are likely to either lead to an end to municipal interventions or to the establishment of sizable contingency arrangements. I believe that neither of these outcomes will be an improvement on the present arrangement in terms of the cost-effective and disciplined representation of the unique interests of significant customer groups, such as the residents of Edmonton.

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At this time, I am not convinced that governance processes of the Utilities Consumer Advocate (UCA) are an adequate replacement for Alberta's long-established and respected public hearing processes in terms of ensuring fair and accountable consideration of regulatory matters affecting the interests of subsets of the many customer categories the UCA is mandated to represent. We would welcome a meeting with yourself, AUC Staff, or members of the Commission to ensure a common and full understanding of this item has been reached.

Yours truly,

A handwritten signature in black ink, appearing to read "A.B. Maurer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

A.B. Maurer, P.Eng.  
City Manager

ABM/jl