

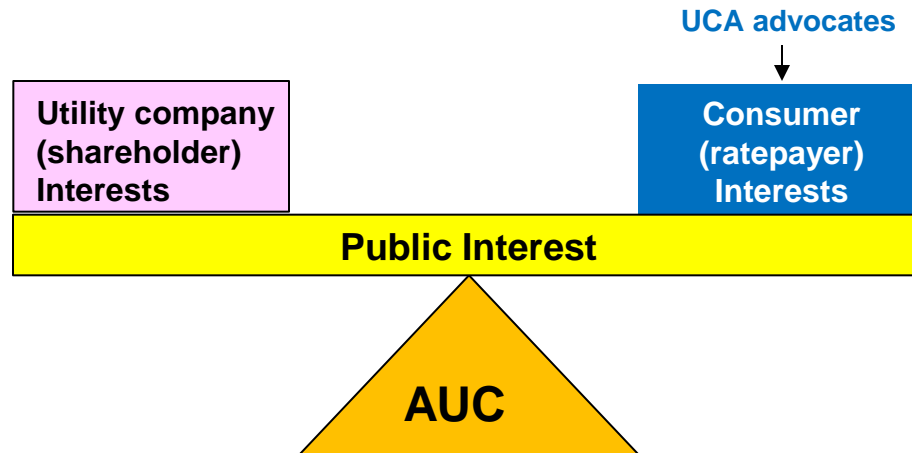
# Utilities Consumer Advocate (UCA) Regulatory Affairs:

## Representing Consumers

May 6, 2016

# UCA Regulatory Affairs - Role

- The Alberta Utilities Commission (AUC) regulates the utilities sector and natural gas and electricity markets to protect social, economic and environmental interests of Alberta where competitive market forces do not.



- The **Utilities Consumer Advocate (UCA)** represents the interests of residential, farm, and small business **consumers** in regulatory proceedings and policy development.

# UCA Regulatory Affairs - Role

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- **Supports Service Alberta 2015-2018 Business Plan**
  - **Desired Outcome One: Consumer protection is enhanced.**
    - **Priority Initiatives:**
      - 1.1 Develop an Alberta consumers' agenda that enhances consumer protection, especially for vulnerable members of society, and enables consumers and businesses to operate in a fair, efficient and openly competitive marketplace.
      - 1.2 Ensure effectiveness and relevance of legislation and regulations related to consumer protection, including the *Fair Trading Act*.

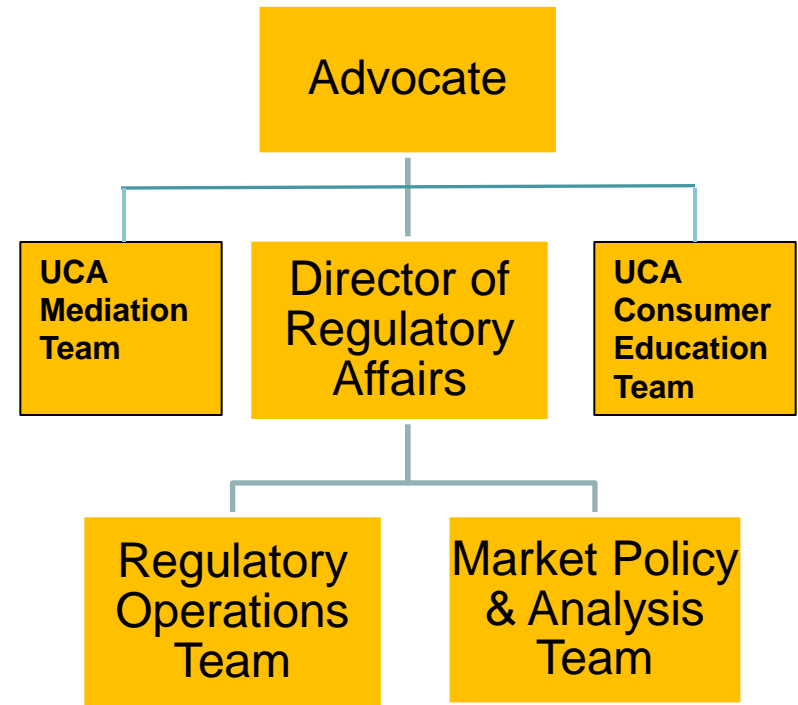
# UCA Regulatory Affairs - Role

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- From Schedule 13.1 of the *Government Organization Act*
  - Represent the interests of Alberta residential, farm and small business consumers of electricity and natural gas before proceedings of the Alberta Utilities Commission and other bodies whose decisions may affect the interests of these consumers.
- From UCA Strategic Business Plan
  - Goal 2: Advocate to ensure Alberta consumers' interests in safe, reliable, and affordable natural gas and electricity services are effectively represented in regulatory proceedings and policy development.

# UCA Regulatory Affairs - Organization

- **Advocate** oversees and integrates
  - Regulatory Affairs
  - Consumer Education
  - Mediation
- **Director of Regulatory Affairs**
  - Leads Regulatory Affairs
- **Regulatory Operations**
  - Ensures regulatory interventions are prioritized, resourced, meet deadlines, and are effective
- **Market Policy & Analysis**
  - Supports Regulatory Operations with issues analysis
  - Recommends policy & regulatory changes that would benefit consumers



# UCA Regulatory Operations – Priority Initiatives

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- **Assist regulatory decision-makers gain a fuller understanding of issues under their consideration by:**
  - **intervening in regulatory proceedings;**
  - **conducting independent analysis of applications to regulatory agencies; and,**
  - **presenting evidence and arguments on behalf of small consumers.**
- **Pursue results oriented regulatory interventions and consumer focused input into GOA policy development concerning energy issues by:**
  - **prioritizing effort to issues of significance to consumers because of their financial, service quality, precedential, or other regulatory implications. (see next slide)**
  - **collaborating with other interveners.**
- **Reduce regulatory burden by identifying opportunities to address reoccurring regulatory issues and improving standardization of terms, tariffs, and conditions through generic regulatory proceedings or smart regulation.**

# Regulatory Proceeding Intervention Criteria

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- The AUC conducts hundreds of proceedings each year.
- The UCA intervenes in dozens of those proceedings.
- UCA considers the following factors to determine whether to proceed with a regulatory intervention:
  - Application content's impact on consumers;
  - Likely cost disallowances possible ( $\Rightarrow$ \$x);
  - Estimated cost of intervention (\$x);
  - Return on investment (Disallowances/Legal and Consulting Costs); and
  - Importance of application in setting precedents for future applications.

# UCA Market Policy & Analysis Initiatives

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- Undertake “best practices” research and provide input into AUC, AESO, Department of Energy and other policy and regulatory initiatives:
  - Green and renewable energy; energy efficiency; distribution and transmission rate design; and smart and sub-meters.
- Identify evolving technological, market, and policy factors and trends and their potential implications for consumers.
- Participate in electricity and natural gas policy development.
- Ensure timely UCA reporting of regulatory results, successes and future challenges, including informing the Minister of Service Alberta on critical issues arising from regulatory applications.



# UCA Regulatory Affairs Performance Measures

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- **Success rate on issues contested in regulatory proceedings**
- **Cost disallowances (totals and per dollar invested)**
  - Overall
  - By proceeding
  - By type of proceeding (general tariff applications, compliance, etc.)
- **Incorporation of specific UCA policy recommendations by the Department of Energy**  
(under development)

# CONCLUSION

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- **UCA Regulatory Affairs plays an important role in representing consumers' interests to the AUC, so that the AUC has the information to make decisions in the public interest.**
- **UCA Regulatory Affairs intervenes in dozens of proceedings each year, protecting consumers' interests, and arguing for the lowest possible cost consistent with reasonable service.**
- **UCA Regulatory Affairs is working hard to understand how emerging energy issues may impact consumers, and then participating in policy development to ensure consumer interests are represented.**