

Utilities Consumer Advocate (UCA) Regulatory Affairs:

Representing consumers



UCA Regulatory Affairs - Role

Shareholder Interests



Ratepayer Interests



- 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

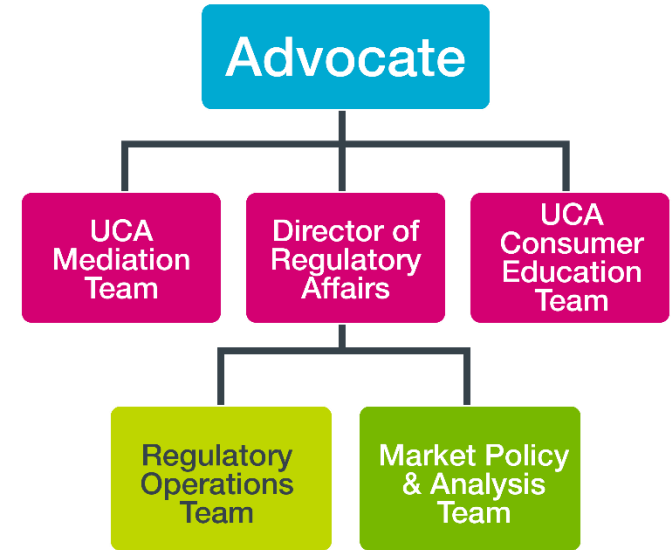
- **Supports Service Alberta 2019-2023 Business Plan**
 - **Desired Outcome One: Alberta consumers' interests in safe, reliable, and affordable natural gas and electricity services are effectively represented during regulatory proceedings and policy development.**
 - **Priority Initiatives:**
 - 1.1 Ensure legislation and regulatory frameworks enable consumers and businesses to operate in an efficient, fair and openly competitive marketplace.
 - 1.2 Balance effective industry regulation and protection of consumer interests while enhancing governance and reducing unnecessary red tape.

UCA Regulatory Affairs - Role

- **Supports Service Alberta 2019-2023 Business Plan**
- **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.
- **UCA Strategic Business Plan**
 - Program Outcome 1: Alberta consumers' interests in safe, reliable, and affordable natural gas and electricity services are effectively represented during 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 Affairs – Priority Initiatives

- **Assist regulatory decision-makers to 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 on 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 Proceedings Intervention Criteria

- **AUC conducts hundreds of proceedings each year.**
- **UCA achieves intervener status in dozens of proceedings.**
- **UCA uses several criteria when deciding whether to seek intervener status:**
 - Application content's potential impact on consumers
 - Likely cost disallowances possible (=> \$ saved)
 - Estimated cost of intervention (\$x)
 - Return on investment (Disallowances/Legal and Consulting Costs)
 - Importance of application in setting precedents for future applications

UCA Market Policy & Analysis Initiatives

- **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

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

Summary

- 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 participating in policy development to ensure consumer interests are represented.