



Office of the Utilities Consumer Advocate



Annual Report 2020-2021



utilitiesconsumer
advocate

Alberta

Honourable Nate Glubish
Minister of Service Alberta
423 Legislature Building
Edmonton, AB T5K 2B6

Dear Minister Glubish,

The Power & Natural Gas Consumers' Panel last met on May 28th, 2021, to review the Office of the Utilities Consumer Advocate's (UCA) Annual Report for Fiscal Year 2020-21, as mandated. The Panel includes representation from key municipal, business, and agricultural associations, as well as a cross-section of public members with diverse expertise on utility issues. As representatives of the ratepayers that the UCA is mandated to represent, we assess that the knowledge and expertise of the UCA provides a significant return on investment for small business, farm, and residential ratepayers.

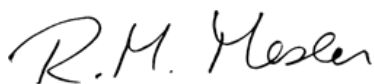
For many small business, farm and residential consumers, the last year has been extremely difficult given the health, economic, and social challenges of the pandemic. The economic challenges forced many small businesses and households to make difficult financial decisions, and the relatively fixed cost of utilities became a growing concern for those customers. Given the impacts of this pandemic, the Panel recommended that the UCA education program shift toward small business as well as to more online delivery. This shift is reflected in significant shifts in the performance metrics.

The Panel would also like to highlight the following from the UCA Annual Report:

- \$281 million in avoided utilities costs for consumers from UCA evidence cited in Alberta Utilities Commission rate decisions.
- UCA participated in the development of the Utility Payment Deferral Program that provided stability to so many Albertans during the early days of the pandemic.
- Over 280,000 Albertans visited UCA website to learn about their utility service options and what to consider as they chose the products and providers that best met their household and/or business' needs.
- Over 20,000 Albertans called the UCA Mediation Team regarding their utility services with 1237 calls resulting in mediations to help resolve disputes with their retailers.
- The UCA's Winter Utility Reconnection Program protected 53 households who might otherwise have faced dangerous freezing temperatures without power or heat.
- The Panel reviewed the UCA's key performance metrics, both their processes and targets, and the Panel's recommendations are accurately reflected in the Annual Report.
- The UCA has also consistently achieved operational surpluses against its budget allocations over the past few years. Ratepayers only pay for the UCA's actual expenditures, meaning that the UCA is cost-efficient as well.

Taken together, the Panel recommends you accept this Annual Report, and request the Minister of Energy recover the UCA's 2020-21 expenditures from the Balancing Pool and Natural Gas Distributors through the usual Ministerial Orders issued annually. The Panel looks forward to a continued effort to ensure the concerns of small business, farm, and residential energy utility consumers are understood and addressed.

Sincerely,



Rhiannon Mesler
Chair, Power & Natural Gas Consumers' Panel



Honourable Nate Glubish
Minister of Service Alberta
423 Legislature Building
Edmonton, AB T5K 2B6

Dear Minister Glubish,

RE: ANNUAL REPORT FOR 2020-21

The Office of the Utilities Consumer Advocate's (UCA) activities over the past year focused on supporting small business, farm, and residential utilities consumers through the economic challenges brought on by the pandemic. These efforts were aligned with Service Alberta's 2020 business plan Outcome 1: Consumers are protected and a competitive business environment is preserved, and all five of its key objectives.

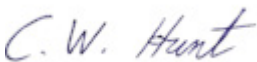
During Spring 2020, the UCA provided input to the Ministry of Energy when it was developing the Utility Payment Deferral Program, and we supported its implementation and promotion through UCA consumer education programming. Small businesses have struggled throughout the pandemic and had to make many tough decisions to reduce their costs to survive. Many small businesses discovered their utilities costs are regulated and relatively fixed, so the UCA has been working with a variety of small business associations in order to represent their members' interests in affordable power and natural gas services to the Alberta Utilities Commission (AUC) who sets regulated utilities rates. Those efforts saw over \$281 million in cost reductions where the AUC cited UCA arguments and evidence in their rate decisions.

The UCA also participated in the AUC Distribution System Inquiry which examined emerging technological, consumer, and industry trends in the electricity and natural sectors. UCA recommendations were cited 15 times in the AUC's final report which provides a foundation for policy development to ensure utilities legislation and regulatory frameworks support innovation in Alberta's competitive business environment as more sectors further electrify.

Finally, UCA operations provided consumer education and mediation services to consumers to help them understand and choose the services best suited to their distinct household and/or business' needs, and to resolve any disputes with their utility providers in a timely and efficient manner.

The UCA will continue to assist small business, farm, and residential consumers with their utilities services as Alberta's economy recovers. The UCA will continue to innovate its programs and services in order to ensure they continue to deliver exceptional value to utilities ratepayers.

Sincerely,



Chris Hunt
Advocate



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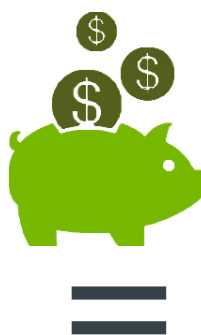


1. Executive Summary

The UCA works with small businesses, farmers, and residential consumers to help reduce their energy costs through representing their interests at regulatory proceedings and advising them on their options for energy utility services.

The COVID-19 pandemic impacted all Albertans and resulted in many small business and residential consumers struggling with their utility bills. The UCA provided input on the development of the *Utility Payment Deferral Act*, mediated disputes between consumers and energy retailers, worked with small business associations to advocate for lower utility rates, and shifted its consumer education outreach program online in order to assist consumers.

The UCA intervened in 78 Alberta Utilities Commission (AUC) proceedings during fiscal 2020-21*. These regulatory proceedings examined the various components that go into delivery charges and other regulated charges on power and natural gas bills.



****Over \$281 million in cost disallowances* Saving consumers money!***

Consumers saved over \$90 for every \$1 spent on UCA Regulatory Affairs!

- The AUC agreed with UCA on 76% of issues contested with utility companies during these proceedings.
- UCA evidence and arguments cited in AUC regulatory decisions resulted in cost disallowances of over \$281 million, real savings that helped preserve a competitive business environment and protect consumers.

The UCA Operations Section advises small business, farm, and residential consumers on their energy utility services options through the UCA's mediation and consumer education programs.

- The UCA Mediation Team provided timely and efficient dispute resolution between consumers and their utility providers. The UCA received 20,662 calls and 974 emails from consumers in fiscal 2020-21, resulting in 1,237 mediations by the UCA. These mediations required the UCA to contact the utility provider on behalf of the consumer to resolve a dispute.

20,662 calls from Albertans and mediation services for 1,237 customers



- The UCA helped reconnect 53 households under the Winter Utility Reconnection Program. This initiative was a last line of consumer protection for households entering winter in Alberta without essential heat and power services.

The UCA's consumer education program conducted 115 outreach events, with the majority of these being virtual. This outreach was complemented by over 280,000 consumer visits to the UCA website.

During Fiscal Year 2020-2021, the UCA informed more consumers about their utility options, helped consumers resolve disputes with the utility providers, and helped contain consumer electricity costs, while delivering its services even more efficiently.

The UCA delivered all its programs for \$5.08 million in Fiscal Year 2020-2021, over \$1.01 million less than in the previous year. The UCA continues to innovate and deliver value to the electricity and natural gas ratepayers who fund it.





2. Introduction

The UCA empowers small business, farm, and residential consumers of electricity, natural gas, and water utility consumers in Alberta through its three core functions:

Advocacy ▶ The UCA acts as the voice of electricity and natural gas consumers in dozens of regulatory proceedings every year to ensure the lowest-possible rates for Alberta utility consumers, consistent with safe, reliable, reasonable service. The UCA works closely with other governmental departments and agencies, as well as utility service providers, to ensure that consumer interests are addressed in policies, regulations, and industry practices.

Mediation ▶ When consumers have exhausted known avenues of issue resolution, the UCA will investigate and attempt to resolve their concerns through mediation with utility companies.

Education ▶ The UCA provides information and advice to consumers so they understand their utility services, and how to make informed choices about how to purchase electricity and natural gas based on their individual circumstances.

The UCA's mandate is set out in Schedule 13.1 of the *Government Organization Act*.

Vision

Alberta's small business, farm, and residential utility consumers are confident the UCA provides them with the information and representation they need to protect their interests.

Mission

The UCA advocates, mediates, and educates for Alberta's small business, farm, and residential utility consumers to provide the information they need to make informed decisions about their utility services, mediate disputes with their utility providers, and represent the interests of electricity and natural gas consumers at regulatory proceedings to ensure they receive reliable services at reasonable prices.





3. UCA Advocates

Regulatory Affairs Program Activities

The UCA advocates for safe, reliable, cost-effective utility service that meets the needs of consumers today and tomorrow. The Alberta Utilities Commission (AUC) reviews hundreds of applications each year through regulatory proceedings. The UCA typically intervenes in the few dozen proceedings annually that could have the most impact on consumers. Most of the AUC proceedings where the UCA intervenes address service quality, terms and conditions, or rates for consumers. The UCA intervened in 78 AUC proceedings during the 2020-21 FY; 63 of those proceedings were concluded and a decision issued by the end of the FY on March 31st, 2021. UCA evidence and arguments cited by the AUC in its decisions prevented unjustified expenses from being downloaded to consumers.

The AUC may accept a “Cost Disallowance” based on evidence from interveners. E.g. An applicant may request \$6M for new computers. The UCA presents evidence to show they only need \$4M. The AUC accepts the evidence and disallows this cost; this represents a cost disallowance of \$2M (6M-4M).

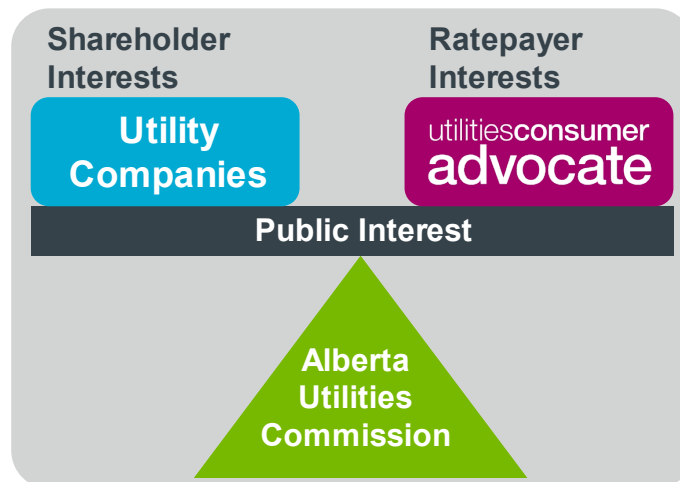


Table 1 on the following page summarizes the participation and value of UCA regulatory interventions in AUC proceedings since 2013.

These cost disallowances are significant, totaling \$1.78 billion since 2013, and over \$281 million during FY 2020-21.

The UCA has included a performance measure of a rolling three-year average for cost disallowances to adjust for the variance in the number of AUC proceedings and decisions that occur from year to year. For 2020-21, that rolling three-year average was \$241 million.

Table 1 - UCA Participation in AUC Regulatory Proceedings 2013-21

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
# of AUC decisions, where the UCA had intervened in the proceeding	60	44	35	33	33	38	47	63
# of issues contained in those proceedings	612	689	429	471	369	308	266	245
Intervened in (# of issues)	115	232	127	108	125	90	114	140
Filed evidence (% of issues)	21%	18%	66%	74%	72%	28%	42%	24%
Filed Argument on (% of issues)	95%	97%	98%	96%	86%	69%	59%	41%
AUC agreed with UCA on (% of issues)	59%	60%	50%	73%	42%	59%	55%	76%
UCA was sole intervener on (% of issues)	48%	35%	47%	33%	52%	43%	21%	19%
UCA Regulatory Affairs Program costs (millions)	\$4.99M	\$5.02M	\$4.64M	\$3.92M	\$4.42M	\$4.00M	\$3.81M	\$3.12M
UCA evidence/argument cited in AUC decision as cost disallowances (value in millions)*	\$48M	\$522M	\$30M	\$204M	\$251M	\$267M	\$169M	\$281M
Cost disallowances per \$ invested in UCA Regulatory Affairs	\$10	\$104	\$6	\$52	\$60	\$67	\$44	\$90
Rolling three-year average of cost disallowances	N/A	N/A	\$200M	\$252M	\$161M	\$241M	\$228M	\$243

Note: *\$169.0 million in FY2019/2020 is \$61.0 million more than what was reported in last year's report as an internal review identified some cost disallowances from AUC decisions had been calculated based on a single year rather than the term of the decision.

* The significant variance in annual cost disallowances is largely tied to the value of issues being examined by the AUC in their proceedings and the decisions published in each fiscal year. For example, AUC Decision 2941-D01-2015 Generic Cost of Capital included cost disallowances of \$239.6 million and was published on March 23, 2015; had it been published nine days later, it would have counted against 2015-16 statistics.

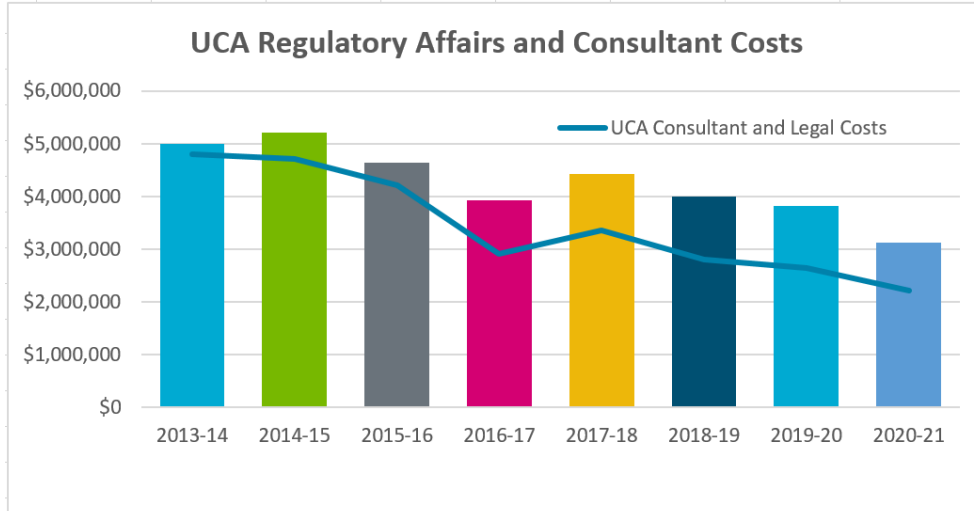
Table 2 demonstrates the strong return on investment consumers have received from the UCA's Regulatory Affairs program during 2020-21; for every \$1 dollar invested, almost \$90 in cost disallowances were recorded.



Table 2 - UCA Regulatory Affairs Performance Measures

Performance Measure	Target 3-year rolling average	Actual 3-year rolling average	2020-21
Cost disallowances per dollar invested in UCA Regulatory Affairs	>\$50	\$67.72	\$90
Success rate on the issues contested at the AUC	>66%	63%	76%
% of Regulatory Affairs program budget spent on external legal counsel and contractors	<75%	70%	71%

Table 3 - UCA Regulatory Affairs and Consultant Costs



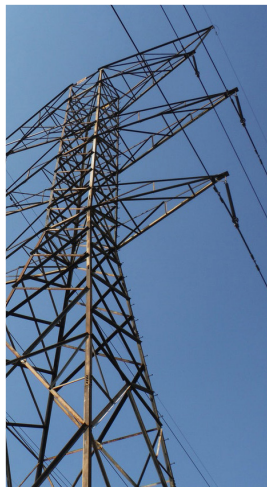
As well as regulatory interventions, the UCA continued to undertake “best practices” research and provide input to AUC, Alberta Electric System Operator (AESO), Department of Energy and other industry bodies, on policy related to terms and conditions, distributed energy resources, and metering practices.

The UCA was an active participant, representing consumer interests, in discussions regarding AUC Rules and AESO initiatives, including the AESO's ongoing transmission/distribution integrated planning workshops, and bulk regional tariff design consultations.

Other AUC related activities include working with industry experts to develop comprehensive submissions for the AUC Distribution System Inquiry (DSI), which looked into the current and future needs of the distribution system based on emerging changes in technology and the industry. The UCA submitted views from a consumer perspective related to rates, metering, electric vehicles, utility asset disposition, and coordinated transmission/distribution system planning and operation, among other topics. The AUC's subsequent DSI report provided a comprehensive examination of emerging technological, business, policy, and societal trends that will impact the electricity grid. The AUC report references specific input from the UCA in more than 15 instances, and on key issues related to rate design, allocation of costs to customers, advanced metering infrastructure systems, and customer access to information.

The UCA also provided input into government and AUC initiatives to reduce red tape. This input helped the AUC develop its business plan and the efforts continue to reduce red tape in AUC rules and processes. In December 2020, the UCA wrote to the AUC Chair identifying opportunities to reduce red tape for small businesses by consolidating and standardizing distribution utilities terms and conditions. The AUC welcomed this recommendation and is working with the UCA to identify specific terms and conditions that could be standardized.

The Alberta Electric System Operator (AESO) collects monies through a tariff to pay for electricity transmission costs. These costs contribute to 14% to 24% of a customer's bill. The AESO has been consulting with stakeholders on the current tariff design since 2018, and the UCA has been actively involved advocating to lower costs for residential, farm, and small commercial consumers. As a result, AESO has proposed a tariff design in February 2021 which is projected could result in a 2-5% decrease in monthly electricity bills for consumers.



The UCA continues make utility rate relief a priority during the current economic challenges brought on by the pandemic. Some of the largest amounts of rate relief were achieved through the UCA's regulatory interventions supporting AltaLink's* refunds to consumers. One of these regulatory proceedings, held in March 2021, resulted in AltaLink delivering \$230 million in refunds to customers, through transmission rates, for previously collected asset depreciation and income tax amounts. In November 2020, the UCA was successful in helping AltaLink overturn a previous Alberta Utilities Commission decision on how net salvage value is determined. This resulted in a return of \$81 million of savings for consumers through rates over a three-year period.

**AltaLink is Alberta's largest electricity transmission system owner and service provider.*



Regulatory Affairs - Program Objectives

The UCA Regulatory Affairs program supports the following Service Alberta 2020-23 Business Plan Outcomes and Key Objectives:

Service Alberta Outcome 1 - Consumers are Protected

Service Alberta
Key Objective
1.2

Ensure legislation and regulatory frameworks enable consumers and businesses to operate in an efficient, fair and openly competitive marketplace.

UCA Regulatory Affairs Program Objectives

<p>One</p>	<p>Assist regulatory decision-makers with gaining a richer understanding of issues under their consideration by:</p> <ul style="list-style-type: none"> ▶ intervening in regulator proceedings; ▶ conducting independent analysis of applications to regulatory agencies (particularly the AUC); and ▶ presenting evidence and arguments on behalf of small business, farm, and residential consumers of electricity and natural gas.
<p>Two</p>	<p>Pursue results oriented regulatory interventions and consumer focused input into GOA policy development concerning energy issues by:</p> <ul style="list-style-type: none"> ▶ responding to government priorities and policy direction by providing expert analysis and advice that represents consumers' best interests; and ▶ prioritizing effort to issues of significance to consumers because of their financial, service quality, precedential, or other regulatory implications. See Appendix B – Proceeding Intervention Criteria for more details.
<p>Three</p>	<p>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.</p>
<p>Service Alberta Key Objective 1.3</p>	<p>Balance effective industry regulation and protection of consumer interests while enhancing governance and reducing unnecessary red tape.</p>
<p>Four</p>	<p>Reduce regulatory burden by identifying opportunities to address reoccurring regulatory issues and improving standardization of terms, tariffs, and conditions through collaboration with industry and other stakeholders, generic regulatory proceedings, or updates to regulation.</p>





4. UCA Mediates

Mediation Program Activities

The UCA received 20,662 calls from Albertans through the 310-4UCA (310-4822) line during FY 2020-21 and 973 emails to UCAhelps@gov.ab.ca. The majority of calls to the UCA are customers looking for advice and information about their utility situation. Mediation Officers provided consumers with a list of retailers and product offers, education about the energy market, and information that will help a customer to make an informed choice about their service. Of the total calls, 1,237 calls were provided with mediation services. These services included investigating concerns raised by consumers and attempts to resolve their concerns through mediation with utility companies. The most common reasons for mediation are: billing issues; early exit fees; concerns about billing and customer service; and disconnections for non-payment or non-application.



**Of 20,622 calls,
1,237 received
mediation services**

Each year, the UCA participates in the AUC's Winter Utility Reconnection Project. The UCA is supplied with the names and contact information for Albertan consumers whose electricity and/or natural gas services are being disconnected at the beginning of the winter season.



**53 households
reconnected**

Multiple attempts are made to reach those individuals through phone calls and letters in an effort to assist in the reconnection process. This includes providing information and advice, mediating payment arrangements, and connecting consumers with support programs, if required. As part of the AUC Winter Utility Reconnection Program, the UCA received 1,231 files from retailers for investigation and helped reconnect 53 disconnected households during the 2020-21 winter season.

The UCA Mediation team was contacted in the fall of 2020 by a small business concerned about \$16,000 bill they had received from their retailer. The consumer believed they had been billed incorrectly for their consumption and had not been able to resolve the issue directly with their retailer. A Consumer Mediation Officer reached out to the distributor to question the consumption at the property and discovered that the consumption was correct; however, the contract the customer signed in 2014 had not been correctly implemented and the customer had been overbilled for their demand charges since 2014. Through their investigation, the Mediation team was able to work with the distributor, two different retailers, and the consumer to correct the bills and provide the consumer with over \$25,000 in credits.



Table 4 - UCA Mediation Performance Measures

Performance Measure	Annual Targets	2020/21 Actual
Abandoned call rate	7%	2%
Average speed of answer	30 seconds	15 seconds
Average days to close energy utility mediation	14 days	8 days
Average days to close water utility mediation	28 days	10 days
Winter Utility Reconnection Program completed	December 15th	December 17th

Mediation Program Objectives

The UCA Mediation program supports the following Service Alberta 2020-23 Business Plan Outcomes and Key Objectives:

Service Alberta Outcome 1 - Consumers are Protected

Service Alberta Key Objective 1.5

Improve access to timely and efficient consumer dispute resolutions.

UCA Mediation Program Objectives

One	Resolve disputes between consumers and energy service providers through timely and effective mediation.
Two	Contact disconnected residential consumers through the Winter Utility Reconnection Program in order to assist with activating their gas and/or electricity service during winter months.
Three	Support Service Alberta’s consumer protection focus by advising the Minister of critical and sensitive issues and on trends identified from mediation activities.





5. UCA Educates

Consumer Education Program Activities

The UCA Consumer Education and Awareness Program includes three complementary components:

1. the www.ucahelps.alberta.ca website
2. UCA social media channels
3. UCA consumer outreach program

Website

The www.ucahelps.alberta.ca website is the foundation of the UCA Consumer Education and Awareness Program. The UCA website provides an important objective source of information for consumers about retail choice, their monthly bills, helpful tips and hints, and where to go for help. The site also includes detailed information about the energy markets, and utility regulatory processes and decisions. The website includes a cost-comparison tool so that consumers can easily review the products available in their area.

website visits
up by 2.67%

280,391
visits



During 2020-21, the small business and farm sections of the website were upgraded with additional content, so that there is a similar level of information available for those consumers as is offered for residential consumers. There were 280,391 visits to the UCA website in FY 20/21, and increase of over 2.67% over the previous FY.

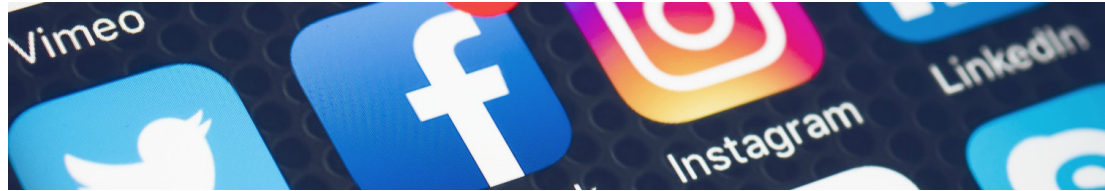


The UCA Consumer Education Team developed a section for small business owners on the UCA website ucahelps.alberta.ca/small-business.aspx. The information on the website helps small business consumers identify choices for their commercial electricity and natural gas services that best suit their needs. By visiting the website, small business owners can learn how to understand their bills, read their utility meters and understand their rate class and delivery charges. There are also lots of helpful tips for setting up and managing utilities for new and established businesses.



Social Media Engagement

The number of UCA social media engagements (Facebook and Instagram likes, shares, and comments) was 11,304 for FY 20/21 which was a decrease of 50% over FY 19/20, and down over 62% for the FY 19/20 target set in the UCA Strategic Plan. The decrease is assessed to be from residential consumers' concerns during the pandemic being focused elsewhere, especially since the Utility Payment Deferral Program appears to have addressed residential consumers' immediate concerns during late Spring 2020, and the program was promoted heavily as part of the Government's pandemic response plan at that time.



Consumer Outreach Program

Because of COVID-19 health protection measures the Consumer Education Team shifted delivery of outreach activities to online webinars, presentations, and meetings conducting a total of 115 events. The team also shifted from a strategy of direct consumer engagement to indirect engagement with relevant stakeholder organizations, with a focus on small business associations, such as chambers of commerce and sector-specific associations in the tourism sector and manufacturing.

Education resources were shared with these organizations for distribution to their membership. These activities also enabled the Consumer Education Team to share feedback that facilitated improvements to the UCA website and social media posts, as well as referrals to the UCA Mediation Team and the identification of regulatory and policy issues to the Regulatory Affairs Section. In FY 2020-21, the UCA Consumer Education Team conducted 115 consumer education sessions across the province, directly engaging 703 representatives from organizations across Alberta.



With traditional outreach activities on hold due to Covid-19, the UCA's Consumer Education Team provided virtual presentations to small business organizations such as local chambers of commerce to help their members navigate their utility options, understand their bills and identify potential areas of savings. The team also provided many educational videoconference presentations to social agencies supporting newcomers and low income clients.

Consumer Education Program Objectives

The UCA Consumer Education program supports the following Service Alberta 2020-23 Business Plan Outcomes and Key Objectives:

Service Alberta Outcome 1 - Consumers are Protected

Service Alberta Key Objective 1.1	Improve consumer protections and outreach activities to educate Albertans.
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Service Alberta Key Objective 1.4	Use modern technologies and approaches to distribute important consumer information directly to Albertans.
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UCA Consumer Education Program Objectives

Note: All UCA Consumer Education Program Objectives apply to both Service Alberta Key Objectives 1.1 and 1.4.

One	Electricity and natural gas consumers are aware of the energy utility service options available to them.
Two	Electricity and natural gas consumers know where to find independent and impartial information tools to assist in choosing their provider.
Three	Electricity and natural gas consumers are aware of the regulatory protections and oversight of the utilities sector, natural gas and electricity markets.
Four	Electricity, natural gas, and water utility consumers understand the line items on their monthly utility bills.
Five	Electricity, natural gas, and water utility consumers are aware of mediation services available to them if they have a dispute with their utility provider.
Six	Electricity, natural gas, and water utility consumers know where they can learn more about electricity, natural gas, and water utilities issues.





6. Financial Information

The UCA's financial results (unaudited) for the 2020-21 FY are presented in Table 5.

Table 5 - Financial Report, 2020-21 Fiscal Year ending March 31, 2021

STATEMENT OF OPERATIONS*
(thousands of dollars)

Expense	Budget	Actual	Variance
Advocacy Services	912	788	124
Mediation Services	700	713	(13)
Regulatory Affairs	5,386	3,120	2,266
Consumer Education & Awareness	632	454	178
Power/Natural Gas Consumers' Panel	24	5	19
Total Expense	7,653	5,079	2,574

**The UCA is funded 80 per cent by the Balancing Pool and 20 percent by Natural Gas Utilities.*

For FY 2020-21, the UCA had an overall budget surplus of \$2.574 million. The surplus was the result of the following:

- The Regulatory Affairs program, which had a surplus of over \$2.2 million, was the single largest contributor to the overall variance, due to a surplus in contract services as internal UCA staff were used for the majority of research and project management services on regulatory interventions, instead of external consultants.



- Advocacy Services had a surplus of over \$123 thousand due to not filling a vacant position, and through restraint in supplies and services.
- Consumer Education and Awareness program, with a surplus of over \$178 thousand was due to the deferral of several projects and not filling positions that became vacant.
- By moving to virtual meetings, the Power and Natural Gas Consumer's Panel reduced its expenses significant and continued its trend of running large surpluses relative to its budget allocation.



7. Power & Natural Gas Consumer's Panel Activities

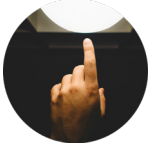
The Power and Natural Gas Consumers' Panel met four times during Fiscal Year 2020-2021. During the May 2020 meeting, the Panel provided advice to the Minister identifying the economic impact of the pandemic on small businesses and households. They also recommended support for any initiatives that could reduce regulated distribution and transmission costs to consumers, while providing them with more market-driven retail, technological and energy choices to meet their energy needs, as a way to support Alberta's economic recovery. The Panel also reviewed the UCA Annual report for 2019-20 and recommended its acceptance by the Minister of Service of Alberta.

The Panel met again in August and October 2020, and identified that the hotel and lodging sector had been most clearly impacted by high utilities costs during the pandemic, and other business sectors were also struggling. The Panel identified a variety of options for relief including changes to demand charges, short-term tariff reductions, and payment deferrals. Many of the proposals were then incorporated into UCA intervention strategies in front of the Alberta Utilities Commission.

The Panel met again in December 2020 and reviewed the recent C.D. Howe Institute study on Comparative Electricity Costs across Provinces, as well as a recent Alberta Chamber of Commerce member survey which found 54% of respondents were somewhat or very concerned about their electricity rates. The Panel recommended the Government of Alberta provide more policy clarity on the importance of cost management of regulated transmission and distribution rates. The Panel also recommended the UCA strengthen its collaboration with business associations in order to ensure the Alberta Utilities Commission has a clearer understanding of the present challenges facing small businesses.

In recent months, the UCA has collaborated more closely with small business associations on its regulatory interventions incorporating their input into its submissions to the Commission. The Government has also repeatedly publicly stated it recognizes the importance of affordable electricity services and it is undertaking reviews to ensure policies support a safe, reliable, and affordable electricity system that meets consumers' needs, and supports Alberta's economic recovery and long-term competitiveness.





8. Appendices

Appendix A

Mandate

The UCA is established by the *Government Organization Act*, Schedule 13.1. The Act assigns the following responsibilities to the UCA:

- (a) to represent the interests of Alberta small business, farm and residential consumers of electricity and natural gas before proceedings of the Alberta Utilities Commission and other bodies whose decisions may affect the interests of those consumers;
- (b) to disseminate independent and impartial information about the regulatory process relating to electricity and natural gas, including an analysis of the impact of decisions of the Alberta Utilities Commission, other bodies and the courts relating to electricity and natural gas;
- (c) to inform and educate consumers about electricity, natural gas and water utilities issues;
- (d) to disseminate independent and impartial information to assist electricity and natural gas consumers in choosing a distributor, provider or retailer, including
 - (i) complaints made under this Schedule, the *Electric Utilities Act* or the *Alberta Utilities Commission Act* and the outcome of any recommendation, hearing or settlement,
 - (ii) investigations, orders, administrative penalties or convictions conducted, awarded or made under the *Electric Utilities Act*, the *Alberta Utilities Commission Act* or the *Consumer Protection Act*,
 - (iii) compliance records of a distributor, provider or retailer in adhering to the standards and codes prescribed under the *Electric Utilities Act*, the *Alberta Utilities Commission Act* and the *Consumer Protection Act*, and
 - (iv) any other matters the Utilities Consumer Advocate considers necessary to carry out the purposes of this clause;
- (e) to assist in the resolution of any consumer issue, complaint or dispute between a consumer and a distributor, provider or retailer relating to the provision of electricity, natural gas or water as the Utilities Consumer Advocate considers appropriate and, if a resolution is not reached, to refer the complaint to the person, body or authority the Utilities Consumer Advocate considers appropriate;
- (f) to develop and undertake activities that the Utilities Consumer Advocate considers appropriate for the purposes of

The UCA's mandate is set out in Schedule 13.1 of the *Government Organization Act*.



- (i) preventing the disconnection of electricity or natural gas provided by a retailer or provider to a consumer, or
 - (ii) facilitating the reconnection of electricity or natural gas provided by a retailer or provider to a consumer;
- (g) to carry out such other responsibilities relating to electricity, natural gas and water as the responsible Minister determines.





Appendix B

Proceeding Intervention Criteria

The UCA may intervene in a proceeding based on the combination of the priorities below (high, medium or discretionary) and the resources available.

Proceeding and Policy Priorities:

1. Base load high priority work - mandatory participation

- Generic Cost of Capital
- General Revenue Applications (GRAs), General Tariff Applications (GTAs) and all subsequent related proceedings including
 - Interim requests that are excessive
 - Review and Variance requests
 - Appeals to the Alberta Court of Appeal
- Retail energy and non-energy proceedings and all subsequent related proceedings
- Regulated Rate Initiative proceedings including PBR and Capital Trackers

2. Medium priority work - participation depending on constraints

- Policy matters and generic proceedings that affect multiple un-affiliated utilities
 - AUC initiated
 - Utility Asset Disposition
 - Code of Conduct
 - Minimum Filing Requirements
 - Service Quality
 - Distribution Inquiry
 - Department of Energy initiated
 - Harmonization of regulations
 - Market consultations
 - Others
 - Industry initiated
 - Transmission constraint management
- Policy matters for affiliated utilities that have the potential to set precedents
 - Pension management
 - Others
- Complaints by or on behalf of specific customers

3. Discretionary work/Optional participation

- Facilities Applications
- Needs Identification
- Markets - AESO Rules



- National Energy Board matters related to TransCanada Alberta System (NGTL)
- Interim filings
- Compliance filings
- True up or rider applications
- Research on policy implications of emerging technologies on utilities

Issue Intervention Criteria:

Within proceedings, the UCA will take positions on specific issues based on the following criteria. The validity of these specific criteria and the success on specific issues will be monitored and modified on an ongoing basis.

1. Impact on Alberta consumers - Potential benefit or harm
 - (a) Costs
 - (i) timing
 - (ii) magnitude
 - (iii) direct channel to consumers
 - (iv) reasonableness or prudence
 - (b) service reliability and quality
 - (i) for all service types (retail, distribution, transmission and wholesale)
 - (ii) for both physical operations and customer service
 - (c) terms and conditions of service
 - (d) Intergenerational equity
 - (e) Legitimate or reasonable request from constituents
2. Past successes or failures on specific, related or similar issues
 - (a) Have we exhausted all avenues?
 - (b) Was the best case put forward?
3. Resource availability to address the specific issues
 - (a) Internal
 - (b) External
4. Regulatory precedent, support or impact
 - (a) Aligned with the regulatory compact
 - (b) Within Alberta
 - (c) In other Canadian jurisdictions
 - (d) In other jurisdictions including the US
5. Regulatory Affairs principles to be defended
6. Alternative means exist for addressing the issues (i.e. another proceeding or policy input)
7. Are the UCA's interests adequately represented by other interveners?



Appendix C

Power & Natural Gas Consumers' Panel Biographies

Panel Mandate

Created under s. 7 of the *Government Organization Act*, the Power and Natural Gas Consumer's Panel ("the Committee") is an advisory agency accountable to the Minister of Service Alberta ("Minister") and responsible for providing advice and guidance regarding current and emerging energy consumer issues.

Panel Members FY 2020-2021

Rhiannon Mesler - Chair, Public Member



Born and raised near Strathmore, AB, Dr. Rhiannon M. Mesler is an Assistant Professor in Marketing at University of Lethbridge. She holds a PhD and MSc from the University of Calgary, and a BA from the University of Waterloo. She has also been named to Calgary's Top 40 Under 40 and Marketing Magazine's 30 Under 30.

Bill Given - Member representing Alberta Urban Municipalities Association



Bill Given is Chief Administrative Officer for the Municipality of Jasper. He was previously Mayor of Grande Prairie from 2010 to 2020. He was first elected to Council as an alderman in 2001 and served three terms. Prior to becoming a municipal leader, Bill's career included marketing and communications consulting, and sales in the information technology sector.

Tom Burton - Member representing Rural Municipalities of Alberta



Tom has had several different occupations, including general manager for the DeBolt and District Agricultural Society. Tom became a member of the DeBolt Fire & Rescue in 1993, and in 1995 was selected as the Chief, a position he still retains today. Tom continues to be a councillor for the Municipal District of Greenview #16, after being elected in the 2001.

Don Oszli - Member representing Alberta Chamber of Commerce



Don holds a Bachelor of Commerce from the University of Alberta and is a Chartered Accountant, Certified Management Accountant and Certified Internal Auditor. For the past 25 years, Don has taught at the Institute of Chartered Professional Accountants of Alberta and created new professional development course material.



Humphrey Banack - Member representing Alberta Federation of Agriculture



Humphrey has been involved with the Alberta Federation of Agriculture since 2003, serving as president for four years. He served as Vice-president of the Canadian Federation of Agriculture from 2011 to 2017, meeting agricultural producers from across Canada and around the world.

Barbara Baker - Public Member



Barbara is a power industry professional with over 27 years experience working in a variety of disciplines, including trading, enterprise risk management, generation development, retail regulatory advocacy, and energy efficiency. She has earned her BSc (Physics) and MA (Economics) from the University of Alberta.

Sandra Moore - Public Member



Sandra is the Dean of Business, Environment and Technology with Norquest College in Edmonton. She is also a Ph.D. Candidate in the School of Environment and Sustainability at the University of Saskatchewan where her research focuses on the socio-economic impacts of the oil and gas industry on rural communities.

Michael Ng - Public Member



Michael is a professional engineer (PEng), project manager (PMP), and operational lead with diverse industry experience. Michael previously worked in utility project management, executing over 800 million dollars in projects for a transmission facility owner (TFO). Currently, Michael serves as an executive for an oil and gas technology company.

Aida Nciri - Public Member



Aida has spent over seven years working as a policy analyst and researcher in both industry and academia, gaining experience in energy systems, energy policy and governance of low-carbon transitions. Aida holds a Master of Public Policy (Science-Po, Paris, France) and PhD (University of Calgary).

Appendix D

Glossary

Alberta Electric System Operator – the not-for-profit organization that manages and operates the provincial power grid.

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

Balancing Pool – The Balancing Pool is responsible to help manage certain assets, revenues and expenses arising from the transition to competition in Alberta's electric industry.

Cost Disallowance – A cost disallowance is the difference between costs in a regulated utility's application to a regulator, and the cost the regulator approves. The UCA uses cost disallowances as a performance indicator but only counts those where a regulator has cited UCA evidence and/or arguments in its decision.

Distribution Utility – is responsible for the local delivery of electricity, natural gas, or water services within a specific service territory, often one or more municipalities.

Energy Retailer – companies that sell electricity and/or natural gas directly to customers and provide billing services for energy distributors.

Transmission Utility – is responsible for the transportation of large volumes of electricity or natural gas, usually over large distances across the province.

Utility Payment Deferral Program Act – legislation that enabled financial support to utilities to enable them to provide payment deferrals to customers during the early stages of the COVID-19 pandemic.

