



# ENERGY REGULATORY REPORT

*This monthly report summarizes matters under the jurisdiction of the Alberta Energy Regulator (“AER”), the Alberta Utilities Commission (“AUC”) and the Canada Energy Regulator (“CER”) and proceedings resulting from these energy regulatory tribunals. For further information, please contact a member of the [RLC Team](#).*

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**ALBERTA COURT OF APPEAL*****Sabo v AltaLink, 2022 ABCA 233******Permission to Appeal - Electricity***

In this decision, the Alberta Court of Appeal (“ABCA”) granted permission to appeal to AltaLink Management Ltd. (the “Applicant”). The Applicant applied for permission to appeal the decision of the Alberta Court of Queen’s Bench (“ABQB”) in *Sabo v AltaLink, 2022 ABQB 156*, which arose from appeals of a number of compensation orders granted by the Surface Rights Board.

The Applicant argued that historically the Surface Rights Board only awarded compensation for injurious affection arising from structures located on the lands covered by a right of entry order. Compensation for injurious affection was not awarded arising from structures located on adjacent lands, for example on road allowances. The Applicant submitted this interpretation of the statute was confirmed in *Voermans v Alberta (Surface Rights Board)* (1988), 58 Alta LR (2d) 277, 87 AR 58 (QB) (“*Voermans*”).

The Applicant argued that the challenged ABQB decision departed from the traditional approach by awarding compensation for injurious affection caused by parts of the power transmission structures constructed on adjacent road allowances. The parties disagreed on whether the challenged decision is consistent with the *Voermans* decision, which was not discussed or distinguished in the reasons even though it was binding on the Surface Rights Board and the trial court.

The ABCA was of the view that there are now possibly conflicting decisions of the ABQB on the same issue. The ABCA found that underlying issues are of significant general importance to many landowners and utilities operating in Alberta. Accordingly, the ABCA granted permission to appeal to the Applicant.

**ALBERTA ENERGY REGULATOR*****Invitation for Feedback on Revisions to Draft Directive 077, AER Bulletin 2022-24***  
*Oil and Gas - Facilities*

The AER requested feedback on updates to *Directive 077: Pipelines – Requirements and Reference Tools*. The draft directive is available on the AER website.

The main proposed changes to *Directive 077* are:

- the inclusion of comprehensive requirements for the use of temporary surface pipelines;
- the revision of sections on the use of gaseous and non-fresh water as test mediums for pressure testing;
- the deletion of redundant content or content no longer relevant;
- revised references to *Canadian Standardization Organisation standard Z662-19: Oil and gas pipeline systems*;
- revised figures and interpretation of jurisdictional boundaries for piping;
- new section on the commingling of oil effluent and gas production streams; and
- updates to figures, tables, and forms.

The proposed changes should provide greater clarity, improved alignment with Canadian Standardization Organisation standards, greater ability to use temporary surface pipelines, and cost savings.

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**ALBERTA UTILITIES COMMISSION****Acestes Power ULC Tilley Solar Project, AUC Decision 27319-D01-2022**  
*Solar Power - Facilities*Application

Acestes Power ULC (“Acestes”) applied to construct and operate the 23.6-megawatt Tilley Solar Project (the “Project”) and to connect the Project to FortisAlberta Inc.’s 25-kilovolt electric distribution system. The Project will be located on approximately 140 acres of privately owned formerly cultivated and now tame pasture/hay land, approximately 4.1 kilometers northeast of the hamlet of Tilley, Alberta. The Project consists of approximately 59,200 525-watt solar photovoltaic modules mounted on a single-axis tracking system, eight 3.6-megavolt-ampere inverter/transformer units, a 25-kV collection system, a fence, and internal access roads.

Decision

The AUC approved the application to construct and operate the Tilley Solar Project and to connect the Tilley Solar Project to the electric distribution system of FortisAlberta Inc. under ss. 11 and 18 of the *Hydro and Electric Energy Act*.

Applicable Legislation

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AUC Rule 012: [Noise Control](#)

AUC Rule 033: [Post-approval Monitoring Requirements for Wind and Solar Power Plants](#) - s. 3(3).

[Post-Construction Survey Protocols for Wind and Solar Energy Projects](#) – s. 4.0.

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11 and 18.

Pertinent Issues

The renewable energy referral report from Alberta Environment and Parks (“AEP”) ranked the Project as a moderate risk to wildlife and wildlife habitat overall, but a high risk to breeding birds and wildlife features. Sensitive raptors, sharp-tailed grouse, and the tame pasture and native grassland surrounding the Project were specifically considered to be at high risk. Acestes proposed a number of mitigation measures. The AUC was not convinced that all of the measures would have a positive impact. The AUC directed Acestes to consult AEP on additional mitigation measures and implement those measures subject to AEP’s review and approval.

The AUC further imposed several conditions of approval to mitigate solar glare.

Acestes had not finalized the selection of equipment or layout of the Project when it filed its application. The AUC imposed a condition of approval that they must file the final Project update at least 90 days before the start of construction.

**AltaLink Management Ltd. Application for 2022 Debt Issuance, AUC Decision 27494-D01-2022**  
*Public Utilities Act - Section 101*Application

AltaLink Management Ltd. (“AML”), in its capacity as the general partner of AltaLink, L.P., (“ALP”), filed a debt issuance application requesting authorization to cause ALP to offer, issue, and sell medium-term notes or other debt securities in the aggregate principal amount of up to \$300 million (the “Debt Securities”) prior to December 31, 2022.

Decision

The AUC found that AML has complied with the requirements of s. 101(2)(a)(ii) of the *Public Utilities Act* (“PUA”) and that AML has a suitable justification to pledge assets as security to the planned debt issuance in accordance with s. 101(2)(d)(i) of the *PUA*. Accordingly, the AUC approved AML’s 2022 debt issuance application as filed.

Applicable Legislation

AUC Rule 031: [Condition Exemption from Specific Financing and Reporting Requirements](#) - ss. 3 and 3.4.

[Public Utilities Act](#), RSA 2000, c P-45 - ss. 101(2), 101(2)(a)(ii), and 101(2)(d)(i).

National Instrument 31-103 – [Registration Requirements, Exemptions and Ongoing Registrant Obligations of the Canadian Securities Administrators](#)

Pertinent Issues

AML submitted that continuing to fund long-lived assets, with the long-term debt securities that diversify the maturity profile of such securities over the expected life of such assets, is in the best interests of the ratepayers. The AUC found this rationale for issuance of secured debt reasonable. The credit rating information provided by AML was satisfactory for the purposes of the application. This information provides reasonable assurance that the proposed issuance of the debt securities would not have a material adverse effect on the cost of other debt recovered through AML’s revenue requirement.

**ATCO Electric Ltd. and FortisAlberta Inc. 2023 Cost-of-Service Review, AUC Decision 26615-D01-2022**  
*Electricity - Rates*Application

ATCO Electric Ltd. (“AE”) and FortisAlberta Inc. (“FortisAB”) applied for 2023 cost-of-service (“COS”) review. The proposed rates will also serve as going-in rates for the third term of performance-based regulation (“PBR”). The applications also put forward hybrid methodologies for forecasting 2023 costs. The hybrid approach uses mechanistic and non-mechanistic approaches to arrive at their respective forecasts. Under the mechanistic approach, the utilities forecast costs by calculating the average of actual costs incurred in the 2018 to 2020 period and then escalating that average by certain escalation factors such as inflation and customer growth. Under the non-mechanistic approach, the utilities forecast from the bottom up, which is a traditional way to forecast costs under COS regulation.

Decision

The AUC required a compliance filing before issuing a final decision. In addition to responding to the AUC’s directions, the utilities were directed to include in their respective compliance filings the calculation of 2023 rates based on the approved revenue requirement. Each utility was further directed to include in its compliance application all information that typically accompanies the calculation of rates.

### Applicable Legislation

AUC Bulletin 2021-04: [\*Stakeholder consultations to evaluate performance-based regulation in Alberta and to determine process to establish 2023 rates for distribution facility owners\*](#) (1 March 2021)

AUC Rule 002: [\*Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors\*](#)

AUC Rule 005: [\*Annual Report Requirements of Financial and Operational Results\*](#)

AUC Decision 26354-D01-2021 - [\*Process to Establish 2023 Rates for Alberta Electric and Gas Distribution Utilities\*](#) (8 June 2021)

AUC Decision 25916-D01-2021 - [\*2022 Phase II Distribution Tariff Application\*](#) (8 June 2021)

AUC Decision 26521-D01-2021 - [\*Revised Regulatory Accounting Treatment for Alberta Electric System Operator Customer Contributions\*](#) (6 October 2021)

### Pertinent Issues

Under the approach applied in this proceeding, if a utility faced any challenges managing its costs such that its earnings were below the approved return on equity (“ROE”), the COS rebasing allows the utility to make its case to the AUC to set rates that will allow it a reasonable opportunity to earn the approved rate of return in the future. This was not the case for either AE or FortisAB as they earned more than their approved ROE in most years of the second term of PBR.

The Industrial Power Consumers Association of Alberta (“IPCAA”) and the Consumers’ Coalition of Alberta (“CCA”) proposed that any earnings above the approved ROE must be passed on to customers in their entirety because such earnings reasonably approximate the achieved efficiencies and associated cost savings. The AUC disagreed. The AUC noted that achieved ROEs are not driven entirely by efficiencies. Further, the proposal of the IPCAA and the CCA would effectively implement an after-the-fact earnings/sharing mechanism (“ESM”). The AUC also disagreed with the proposal because the introduction of an ESM to the PBR plan, after the elements of the second term of PBR were established, and without considering the interaction of an ESM with all other elements of the plan, may have a deleterious effect on the incentives to reduce costs. Finally, the AUC determined that introducing an ESM after-the-fact would undermine the credibility of the AUC. The proposal of the interveners would amount to the retroactive confiscation of earnings above the approved ROE, without addressing any such considerations.

AE and FortisAB submitted that they do not systematically track efficiencies gained for individual projects or programs in real-time. Both utilities argued that it was impractical, inefficient, and not cost-effective to track whether specific programs achieve intended efficiencies. Utilities prepare business cases for major projects and programs. Often the very rationale for the initiatives underlying the business cases relate to efficiency gains and cost savings projected to be realized by implementing a new process or technology. The AUC, therefore, did not find it credible for the utilities to suggest that they are unable to assess potential efficiency gains at the project approval stage and subsequently track if efficiencies are realized.

FortisAB and AE used escalation factors to simplify variance explanations for the 2023 cost forecast under the non-mechanistic approach. Also, for cost categories forecasted under the mechanistic approach, the utilities used the escalation factors to adjust the historical average actual costs to arrive at the 2023 forecasts. The AUC noted that the reasonableness of the 2023 revenue requirement forecasts contained in the rebasing applications is dependent in large part on the reasonableness of the escalation factors used by the utilities.

AE and FortisAB applied for approval to receive the costs of designing and implementing Demand-Side Management (“DSM”) programs. The AUC denied AE’s Emissions Reduction and Energy Efficiency program and

FortisAB's low-income DSM initiative, customer education, and awareness of smart services and technologies initiatives. FortisAB's managed electric vehicle ("EV") charging pilot was approved.

FortisAB requested approval of capital additions in the forestry protection project which it argued would reduce the risk of wildfire ignitions caused by FortisAB's system. The investments would diminish the occurrence of significant losses and costs associated with such projects. The AUC approved the associated capital additions and accepted the explanations regarding the deviation of the forecasts from the escalated 2013-2017 average capital additions.

FortisAB's Advanced Metering Infrastructure ("AMI") meters record customer energy and demand data, along with voltage and current data, providing visibility of the distribution system at an individual site level. In 2024, FortisAB's current AMI vendor will be ceasing production of the Power Line Carrier ("PLC") used by FortisAB for its current AMI system. FortisAB was able to negotiate the continued supply of the PLC AMI meters until 2024 and operational support for the PLC AMI system until the end of 2029. As decommissioning of 3G cellular networks in Alberta is planned to begin in 2023, FortisAB anticipated the need to transition to a new metering system that uses a combination of radio-frequency and cellular technology and can replace both the existing PLC and 3G AMI systems.

The AUC found that ATCO Electric's cautious approach with relatively little spending in the 2017-2021 time period, followed by a staged implementation of Advanced Distribution Management System projects, AMI meters and Asset Modernization projects in the 2022-2028 time period, to be reasonable.

FortisAB proposed the addition of a new Remote Community Reliability Program beginning in 2023. This program is required to provide increased reliability to remote communities that experience below-average reliability. FortisAB suggested approval of the forecast additions as it would be allowed to own and operate an energy storage facility under to Bill 22 - *Electricity Statutes (Modernizing Alberta's Electricity Grid) Amendment Act, 2022* ("Bill 22"). Bill 22 passed third reading on May 12, 2022 and received Royal Assent, but Bill 22 has not come into force at the time of this decision. FortisAB further did not meet the criteria established by Bill 22 for distribution utilities to own and operate an energy storage facility. The AUC therefore decided that it is not reasonable to include these costs as part of FortisAB's 2023 forecast revenue requirement.

AE requested approval of capital additions in 2023 for a proposed Light Detection and Ranging ("LiDAR") project, to increase efficiency in completing ground-based patrols and for optimization modeling and risk-based vegetation management. The AUC accepted the capital additions but did not accept the submission from AE that the project would not likely decrease expenditures in the future. The AUC noted that it expects that AE's investments in this technology would allow AE to find opportunities to reduce costs, particularly as AE indicated that LiDAR would optimize modeling and risk-based vegetation management.

AE proposed a new capital Grid Modernization Program, to ensure its distribution system can accommodate a fundamental shift in grid usage that will be brought about by a rise in Distributed Energy Resources and EVs, decarbonization efforts, changing customer expectations and behaviours, and a changing and challenging climate. AE noted that it had applied for grant funding in the 2022-2024 period through Natural Resource Canada's Sustainable Resource Electrification Pathways program. At the time of the hearing, AE had secured funding of 50 percent of its expenditures for one project, and applications for the remaining two projects of the GMP were in progress. The AUC found AE's GMP as reasonable and approved the 2023 forecast capital additions, subject to adjustments to reflect the approval of the Natural Resource Canada grant for the ADMS project and any other subsequent grants for Asset Modernization and AMI projects.



**ATCO Gas, a Division of ATCO Gas and Pipelines Ltd. 2022 Weather Deferral Account Rate Rider W South, AUC Decision 27415-D01-2022**  
*Electricity - Rates*

Application

ATCO Gas, a division of ATCO Gas and Pipelines Ltd., applied for an approval of a Rate Rider W (“2022 Rider W”), effective September 1, 2022, to April 30, 2023, to collect ATCO Gas’ South weather deferral account (“WDA”) balance of approximately \$10.677 million as of April 30, 2022. ATCO Gas provided evidence that this collection period would not result in rate shock and that it would have minimal impact on customers as the 2022 Rider W would change rates by approximately one percent over both rate groups over the collection period.

Decision

Since the initial approval of the WDA on January 1, 2008 did not stipulate that the time period could not be altered, the AUC approved ATCO Gas’s request for an eight-month collection period for the 2022 Rider W. The AUC approved the WDA collection of \$10.677 million from ATCO Gas South customers by way of the 2022 Rider W from September 1, 2022, to April 30, 2023.

Applicable Legislation

AUC Decision 2008-113 - [ATCO Gas re 2008-2009 General Rate Application Phase I](#)

AUC Decision 24665-D01-2019 - [ATCO Gas, a division of ATCO Gas and Pipelines Ltd. re 2019 Weather Deferral Account Rate Rider W North](#)

Pertinent Issues

ATCO Gas has both fixed and variable costs. Only the variable costs are sales volume dependent. ATCO Gas recovers a portion of the fixed costs through the variable component of the rates; however, variation in weather can result in an over-or-under collection of the approved revenue, for which there is already an AUC-approved deferral account to record the variances in revenue related to weather.

**Bull Trail Renewables Energy Centre GP Inc. Bull Trail 1143S Substation, AUC Decision 27457-D01-2022**  
*Facilities - Electricity*

Application

Bull Trail Renewables Energy Centre GP Inc. (“Bull Trail GP”) applied to construct and operate the 270-megawatt (“MW”) Bull Trail Wind Power Plant (the “Power Plant”) near Irvine, Alberta. Bull Trail GP applied for permission to construct and operate the Bull Trail 1143S Substation (the “Substation”) to connect the Power Plant to the Alberta Interconnected Electric System (“AIES”). The Substation will be located within the boundary of the approved Power Plant and include two 240/34.5-kilovolt (“kV”) transformers, each rated at 120/160/200 megavolt ampere.

Decision

The AUC found that approval of the application was in the public interest, as required under s. 17 of the *Alberta Utilities Commission Act*. The AUC approved the application and granted Bull Trail GP the approval to construct and operate the Substation.

Applicable Legislation

Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

Rule 012: [Noise Control](#)

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 14 and 15.

**Capital Power Generation Services Inc. Genesee Generating Station Units 1 and 2 Ownership Correction and Amendments**, AUC Decision 27420-D01-2022  
*Electricity - Facilities*

#### Application

Capital Power Generation Services Inc. (“Capital Power”) submitted an application to correct the ownership of Genesee units 1 and 2 from Capital Power GP Holdings Inc. to Capital Power. Capital Power also requested to amend the power plant approval to reflect the correct number of transformers for the power plant. The current power plant lists two transformers, but there are four transformers for the power plant. Capital Power stated that the four transformers were applied for in previous applications and acknowledged that two of the transformers were inadvertently not included in the single-line diagram provided in a previous application for the repowering project.

#### Decision

The AUC found that the amendments are minor, that no person is directly and adversely affected by the proposal, and that the proposed amendments will not cause a significant adverse environmental impact. The AUC approved the application.

#### Applicable Legislation

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11 and 19.

**Enfinite Corporation eReserve7/8 Battery Energy Storage Power Plant Project**, AUC Decision 27360-D01-2022  
*Electricity - Facilities*

#### Application

Enfinite Corporation (“Enfinite”) applied to construct and operate the 40-megawatt (“MW”) eReserve7/8 Battery Energy Storage Power Plant Project (the “Project”) consisting of 22 204-megavolt ampere lithium-ion battery modules from Tesla. As part of this application, Enfinite also applied to interconnect the facility to ATCO Electric Ltd.’s 25-kilovolt distribution system.

#### Decision

The AUC found that approval of the Project is in the public interest, as required under s. 17 of the *Alberta Utilities Commission Act*. The AUC approved the application to construct and operate the Project and to connect the Project to the distribution system of ATCO Electric Ltd.

#### Applicable Legislation

Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

Rule 012: [Noise Control](#)

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - s. 11.

### Pertinent Issues

The AUC noted its expectation that Enfinite would install a thermal imaging camera and utilize Tesla's centralized network operations centre to monitor the Project site in real-time to mitigate the risk of fire. The AUC was satisfied that the risk to health due to gases released in a fire is further mitigated because the closest residence is approximately 300 meters away.

The AUC considered it reasonable to require Enfinite and subsequent operators to maintain adequate insurance coverage throughout the life of the Project and imposed the condition that Enfinite and any subsequent operator shall maintain insurance coverage to protect against reasonably foreseeable liabilities.

### ***ENMAX Power Corporation EPCOR Distribution & Transmission Inc. 2023 Cost-of-Service Review – Reasons for Approval of Negotiated Settlements, AUC Decision 26617-D01-2022*** **Electricity - Rates**

### Application

In the course of ENMAX Power Corporation ("ENMAX")'s and EPCOR Distribution & Transmission Inc. (EDTI)'s 2023 cost-of-service ("COS") review applications, each utility requested and received the AUC's permission to pursue a negotiated settlement process in respect of their applications. Two separate negotiation processes were conducted in May 2022. The first negotiation process occurred among ENMAX, the Office of the Utilities Consumer Advocate ("UCA"), and the Consumers' Coalition of Alberta ("CCA"). ENMAX reached a settlement agreement with the UCA, to which the CCA refused to be a signatory. The second negotiation process was conducted among EDTI, the UCA, and the CCA. EDTI reached a settlement agreement with the UCA, to which the CCA also refused to be a signatory.

### Decision

The AUC found that accepting the Settlement Agreements is in the public interest because the agreements will lead to just and reasonable rates and provide certainty, and would also result in savings in costs, resources, and time. The AUC approved the Settlement Agreements as filed.

### Applicable Legislation

AUC Rule 018: [Rules on Negotiated Settlements](#)

[Electric Utilities Act](#), SA 2003, c E-5.1 - s. 132.

### Pertinent Issues

The CCA explained that it did not agree to the settlement between ENMAX and the UCA because it was concerned over the agreed increases and that the settlement was still a substantial increase to the applied-for revenue requirement over historical levels.

The CCA explained that it was not opposed to the settlement amount relative to the applied-for revenue requirement negotiated by EDTI and the UCA. However, it did not agree to the settlement agreement between EDTI and the UCA because of an outstanding issue with efficiency sharing with customers based in part on the EDTI reported return on equity. The CCA did not agree to the settlement agreement and requested an opportunity to address the issue of how EDTI's 2018-2022 PBR plan efficiencies are shared with customers. The AUC allowed the parties to file written submissions and convened an oral proceeding to hear the parties.

The CCA opposed the ENMAX settlement. The CCA's submissions focused on what it claimed was a significant increase in revenue requirement well over the historical trend lines, particularly during rebasing years. ENMAX

provided information similar to that provided by the CCA. The information provided by ENMAX showed a significantly lower escalation of the revenue requirement, below or at historical trend levels. ENMAX pointed out that the CCA's submissions and data did not adjust for inflation, or the large increase in site counts, from 2004 to 2023.

The AUC was not convinced by the CCA's evidence regarding the Settlement Agreements. The AUC considered the evidence of the UCA to be more compelling and found that the UCA's evidence provided a solid foundation for acceptance of the Settlement Agreements.

***EPCOR Distribution & Transmission Inc. Phase 2 Distribution Tariff Application, AUC Decision 27018-D01-2022***

***Electricity - Rates***

Application

EPCOR Distribution & Transmission Inc. ("EDTI") filed a Phase 2 distribution tariff application specifically regarding the cost-of-service study ("COSS"), rate design, terms and conditions for distribution access service and distribution connection services, and distribution tariff policies.

Decision

Subject to specific modifications, the AUC approved EDTI's application.

Applicable Legislation

AUC Decision 2011-375 - [\*EPCOR Distribution & Transmission Inc. re 2010-2011 Phase II Distribution Tariff\*](#)

AUC Decision 2012-155 - [\*EPCOR Distribution & Transmission Inc. re Customer Specific Distribution Access Service Rate for New Customer\*](#)

AUC Decision 27187-D01-2022 - [\*EPCOR Distribution & Transmission Inc. re 2022 Customer Specific Distribution Access Service Rate for New Customer SC48\*](#)

Uniform System of Accounts - s. 364 - Poles, Towers, and Fixtures.

Uniform System of Accounts - s. 365 - Overhead Conductors and Devices.

Uniform System of Accounts - s. 367 - Underground Conductors and Devices.

Pertinent Issues

The changed methodology of the COSS resulted in revenue requirement allocation changes for many of EDTI's rate classes. The most material changes in the revenue requirement allocation were to the Residential class (from 47.3 percent to 54.9 percent), Medium Commercial class (from 8.9 percent to 11.1 percent), and Time-of-Use class (from 22.3 percent to 17.8 percent).

The AUC noted that EDTI has the highest approved residential fixed rate component among the regulated utilities, exceeding the next rate by seven percent. In response to an information request, the Office of the Utilities Consumer Advocate stated that it is not imperative for all utilities to have identical fixed and variable cost recovery components, as each utility has different cost structures.

While approving the rate design, the AUC directed EDTI to consider discontinuing customer-specific ("CS") rates when considering alternatives to rate design for its third performance-based regulation ("PBR") term. The AUC noted that other utilities have found ways to arrive at a more generic rate structure for their larger customers rather than providing them each with their own rate, which facilitates the administration of the rates. The AUC

directed EDTI to report on whether it can move existing and future large customers who would be CS rate class candidates to a new rate class or existing rate classes as part of its proposal to address CS rates for its third PBR term. The AUC issued this direction to reduce the regulatory burden and achieve greater consistency with distribution services provided in other areas.

EDTI filed a report from Black & Veatch Canada Company proposing an update to EDTI's billing determinant forecast methodology to address the shortcomings of the current methodologies. The updated methodology employs a regression model and updates the input variables used by EDTI to more closely track the various factors or events that could impact usage forecast and customer site counts. The AUC approved the updated forecasting methodology.

EDTI requested approval of revisions to the distribution connection services terms and conditions. EDTI made the amendments to improve the clarity of the terms and conditions and to address current industry practices, such as the growing adoption of distribution-connected generators and energy storage. The AUC approved these amendments.

***FortisAlberta Inc. Application Respecting the Refund of the Fortis Street Light Investment, AUC Decision 27067-D01-2022***  
*Electricity - Rates*

Application

FortisAlberta Inc. ("FortisAB") filed an application with the AUC seeking advice and direction on the issue of to whom the street light investment should be paid in the event of a dispute between a developer and a municipality regarding whether an agreement has been reached as to entitlement to the payment.

Decision

The AUC ordered that FortisAB pay any outstanding and future street light investment refunds to the applicable municipality in instances where the developer and municipality are in dispute until its Customer Terms and Conditions of Electric Distribution Service ("T&C's") are modified and approved by the AUC. The AUC also required FortisAB to update its T&Cs to clarify circumstances regarding the street light investment refund payments.

Applicable Legislation/Decision

AUC Decision 26817-D01-2021 - [FortisAlberta 2022 Annual Rate Adjustment Filing](#)

AUC Rule 022: [Rules on Costs in Utility Rate Proceedings](#)

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 21.

***Forty Mile Granlea Wind GP Inc. Forty Mile Solar Power Project, AUC Decision 27258-D01-2022***  
*Solar Power - Facilities*

Application

Forty Mile Granlea Wind GP Inc. ("Suncor"), a wholly owned subsidiary of Suncor Energy Inc. applied to construct, own, and operate the 220-megawatt ("MW") Forty Mile Solar Power Project (the "Project") and to alter and operate the approved Granlea 1024S substation (the "Substation"). Suncor also applied for permission to extend the fence line of the Substation, add a second control building, add two 240/34.5-kilovolt ("kV"), 90/120/150-megavolt ampere transformers, and add four 240-kV and nine 34.5-kV circuit breakers.

### Decision

Pursuant to ss. 11, 14, 15, and 19 of the *Hydro and Electric Energy Act*, the AUC approved the applications to construct and operate the Project and to alter and operate the Substation.

### Applicable Legislation

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AUC Rule 012: [Noise Control](#)

AUC Rule 033: [Post-approval Monitoring Requirements for Wind and Solar Power Plants](#)

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11, 14, 15, and 19.

### Pertinent Issues

The solar glare assessment for the Project identified 20 nearby residences, Highway 885, and five local roads as receptors. The glare assessment concluded that the Project was unlikely to create hazardous glare conditions for nearby dwellings or transportation routes. The predicted results for the Project's solar glare were premised on using lightly textured glass with an anti-reflective coating. Suncor was directed to file a report with the AUC detailing any complaints or concerns it receives or is made aware of regarding solar glare from the Project during its first year of operation, as well as its response to the complaints or concerns.

A concern was raised due to the high number of migrating birds that were identified near a water body at a survey point located approximately 600 meters south of the Project boundary. However, because the Project itself is sited on previously disturbed land and the percentage of species at risk was relatively low, Alberta Environment and Parks Fish and Wildlife Stewardship assessed the mortality risk as moderate. Suncor committed to additional mitigation if mortality is high during post-construction monitoring.

### ***Tidewater Midstream and Infrastructure Ltd. Pipestone Power Plant Expansion, AUC Decision 27418-D01-2022***

#### ***Gas - Facilities***

### Application

Tidewater Midstream and Infrastructure Ltd. ("Tidewater") requested approval to add two Solar Titan 130 natural gas-fired generators, each rated at 17.7 MW to supply the expansion of the Pipestone Sour Gas Plant ("Pipestone Gas Plant") located in the County of Grand Prairie No. 1 (the "Pipestone Power Plant"). After the proposed power plant expansion, the total capability of the Pipestone Power Plant would be 68 MW. The Pipestone Power Plant would continue to supply only the Pipestone Gas Plant, be electrically isolated from the Alberta Interconnected Electric System, and would be located within the footprint of the existing Pipestone Gas Plant on land already cleared for industrial purposes.

### Decision

The AUC determined that the application was in the public interest as required under s. 17 *Alberta Utilities Commission Act*. Pursuant to ss. 11 and 19 of the *HEEA*, the AUC approved the application from Tidewater to alter and operate the Pipestone Power Plant.

### Applicable Legislation

Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

Rule 012: [Noise Control](#)

[Alberta Air Emission Standards for Electricity Generation](#) - Alberta Environment.

[Guidelines for the Reduction of Nitrogen Oxide Emissions from Natural Gas-Fuelled Stationary Combustion Turbines](#) - Environment and Climate Change Canada

[Alberta Ambient Air Quality Objectives](#) - AEP, Air Policy, 2016, No. 2.

[Multi-Sector Air Pollutants Regulations](#), SOR/2016-151.

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11 and 19.

**WR2 Wind GP Corp. Alter Eagle Butte 274S Substation, AUC Decision 27479-D01-2022**  
*Electricity - Facilities*

### Application

WR2 Wind GP Corp. (WR2 Wind) applied to alter and operate Eagle Butte 274S Substation.

### Decision

Pursuant to ss. 14, 15, and 19 of the *Hydro and Electric Energy Act*, the AUC approved the application to construct and operate the Substation and issued Substation Permit and Licence 27479-D02-2022.

### Applicable Legislation

Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

Rule 012: [Noise Control](#)

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 14, 15, and 19.

### Pertinent Issues

The substation alteration would reduce the footprint of the substation from two hectares to 0.375 hectares and would involve a minor relocation of the substation.

The AUC found that the alterations will generally result in lower impacts than the approved substation. The alterations will reduce the amount of equipment, and the size of the substation, and will relocate the substation away from an ephemeral drainage. The AUC consequently approved the application.