



# AUC

Alberta Utilities Commission

**AUC 2025-2030**

# Strategic Plan



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**The Alberta Utilities Commission (AUC) is an independent, quasi-judicial agency of the province of Alberta.**

We regulate investor-owned natural gas, electric and water utilities and certain municipally owned electric utilities to ensure that customers receive safe and reliable service at just and reasonable rates.

The AUC ensures that electric facilities are built, operated and decommissioned in a safe, efficient and environmentally responsible way. The AUC also provides regulatory oversight over the governing rules and the operation of the wholesale electricity market in Alberta as well as the retail gas and electricity markets in the province.

The AUC's regulatory functions are carried out through both written and oral proceedings and representative groups are encouraged to participate in the process. Participation helps to ensure that the AUC has all relevant issues before it, hears all affected parties and that decisions are made in the public interest.

## **Our vision**

The Alberta Utilities Commission is a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.

## **Our values**

- We are impartial and objective.
- We are accountable and strive for excellence in everything we do.
- We treat everyone with dignity and respect.
- We maintain and promote a positive work environment.



# Strategic plan overview

I am pleased to share with you the Alberta Utilities Commission 2025-2030 Strategic Plan.

This document outlines the AUC's priorities as it works to fulfill its responsibilities during the next five years.

This year, I was honoured to be reappointed to another five-year term as AUC chair. During the last five years the utility sector has seen many changes, in Alberta and worldwide, including the pressures of inflation, the high costs of living, the continuing importance of environmental goals, the rapid growth of new digital industries and increasing severity of weather events like wildfires.

As a result of these changes, new and significant demands are being placed on the sector's infrastructure, and there is a growing unease about the cost of utility services, particularly electricity.

Managing these pressures will be a central focus of the Commission's work over the next five years.

The Commission's strategic plan is structured around the following themes: affordability, consumer confidence and accountability, working collaboratively and driving progress at the AUC. Specific objectives and actions for the AUC to undertake to address these themes are described in more detail throughout the plan.

A key goal for addressing affordability is for the Commission to gain a better understanding of optimal utility planning and investment, and ways to assure the lowest delivered costs to consumers. Given the current level of prices and the magnitude of anticipated cost increases, I believe our work should include a focus on utility cost control and to provide smarter systems to incent efficient use of the system. The Commission itself is committed to facilitating time-varying rates and sound distribution system planning to further these purposes.

With respect to consumer confidence and accountability, the AUC will continue to use and enhance tools such as compliance monitoring and increase the use of negotiated settlements in our adjudicative process with the ultimate goal of supporting consumers and managing system costs. We plan to add a robust audit function to ensure continuous improvement in utility performance.

I am proud to say the AUC's own cost of regulation per utility customer site has decreased by 23 per cent since the Commission was created in 2008.

In my view, we also need a regulatory framework that promotes collaboration, creativity and competitive solutions where possible. We can do more to achieve open-source data to allow consumers to understand their choices and for other providers to offer services. Innovative approaches to technologies can provide alternatives to building more grid capacity and enable better management of peak demand. I believe micro-grids and enabling more distributed generation resources to individuals and groups of consumers would benefit Albertans.

To deliver on these ambitious goals over the next five years, I have challenged AUC executives to think innovatively to implement this plan, and I am confident they are committed to lead and carry out this important work.

It is my great privilege to serve the province as AUC chair. We remain committed to carrying out our responsibilities with professionalism, dedication, and diligence, all in the public interest.



CHAIR CAROLYN DAHL REES



# Affordability

In the coming years, the AUC will challenge itself, and the sector it regulates, to ensure regulated costs are affordable to consumers.

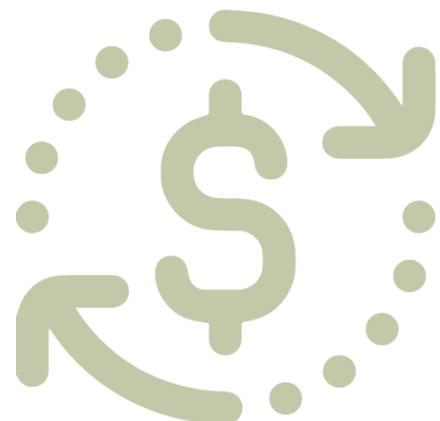
Understanding consumer expectations and impacts is critical. In an environment where all costs are increasing, we need to think about regulatory approaches to address the affordability of rates.

While new technologies are bringing opportunities to consumers to manage energy consumption – many consumers are focused on the basics of service and price. The concerns about price – particularly for those most vulnerable – are a reminder of the impacts on consumers of new infrastructure and investments to support new technology and energy transition efforts.

Our focus will be on adopting regulatory tools that prioritize efficient and optimized operations, long-term value and least-cost solutions.

## **AUC Objective**

Regulate utilities to increase transparency on how they deliver efficiently managed systems and rate affordability to consumers in an environment of cost increases.



## Actions

- Integrate enhanced distribution planning to optimize the use of existing infrastructure and manage future costs while supporting growing demand.
- Improve understanding of gas and electric utility investments to ensure optimal outcomes for industry and customers.
- Explore the use of time-varying rates to enhance consumer choice and incentivize greater optimization of existing infrastructure.
- Consider total bill mitigation approaches to address customer affordability, particularly for vulnerable customers.
- Review performance-based regulation to ensure it delivers value for customers, along with considering longer test periods and incentive-features that could be adopted for transmission utilities currently regulated through a cost-of-service framework.



Over the past five years, the AUC adopted a sustained commitment to effective, efficient and proportionate adjudicative processes to improve efficiency, lower costs and speed up decision making.

We are committed to continuous improvement in how we regulate. This includes finding new efficiencies and tools for regulatory reviews, expanded use of compliance and enforcement functions, and incorporating best practices from other jurisdictions, all while continuing to grow and maintain a culture of compliance.

In addition, developing a strong audit function to determine areas for improvement will ensure the AUC continues to be a trusted leader that delivers regulatory solutions and positive consumer outcomes for Albertans. Auditing and compliance monitoring should become integral to our facilities approval, facilities operations, utility operations and rate-setting processes.

## **AUC Objective**

Consumers have confidence in the oversight of the utilities sector.



## Actions

- Maintain a strong focus on compliance by regulated entities and retailers including addressing any new challenges associated with the development of new products and services.
- Enhance our audit function by developing mechanisms to emphasize the importance of record keeping and reporting as incentive rate plans supplant cost-of-service regulation and examining opportunities to expand existing checklist and post-approval audit processes.
- Continued advancement of AUC infrastructure compliance monitoring.
- Continued support for the expanded use of negotiated settlements to reduce timelines for applicants and costs to consumers.
- Monitor, assess and incorporate best practices for managing the risk of wildfires and other emergency situations impacting utilities that are becoming more frequent and severe in nature.
- Help consumers understand the changes underway in the sector – particularly regarding any new service options they may have.
- Encourage the development of innovative approaches to the needs of vulnerable customer and Indigenous communities.
- Modernize AUC rules to meet the expectations of consumers.
- Work with utilities to pilot and test consumer reaction to new services and pricing models.



In considering the future role of the AUC it is important to understand how its responsibilities and powers fit with those of other bodies that play a part in the market.

It is the provincial government's responsibility to ensure a regulatory framework is in place to enable delivery on its policy objectives for the gas and electricity sectors. The AUC must work together with the government, stakeholders and other agencies to ensure effective regulation of the utility sector.

The complexity of the energy market landscape is not going to lessen. It is important to ensure that the regulatory regime is coherent with policy direction in a way that is both transparent and effective for market participants and consumers. A fundamental tenet is the legal framework that defines the AUC's role and powers and should evolve over time to enable the Commission to become the most effective regulator it can be.

The underlying principle will be to improve the way the AUC works with other organizations towards common strategic policy goals.

## **AUC Objective**

Increase collaboration and information exchange with government, Indigenous communities, industry and municipalities to improve the AUC's delivery of statutory duties.



## Actions

- Strengthen ties with and learn from Indigenous communities through additional engagement and relationship building.
- Enhance engagement with municipalities, landowners and industry to ensure meaningful participation in regulatory processes.
- Establish regular dialogue opportunities with other agencies in recognition of the importance of interplay and cooperation, with a focus on areas of concurrent or overlapping responsibilities to ensure efficient and comprehensive project reviews.
- Review the AUC's legal framework to determine whether the existing framework can evolve in line with wider policy priorities related to affordability and the energy transition.
- Continue identifying improvements and implementing opportunities to minimize red tape in line with the government of Alberta's policy objectives.
- Continue to serve as an expert and independent advisor to government on policy issues.



# Driving progress at the AUC

The AUC is a team of skilled professionals united by a common mission: to be a trusted leader delivering innovative and efficient regulatory solutions for Alberta. Each member of our team plays a crucial role, and we take pride in the meaningful work we do every day.

By continuously enhancing our employee value proposition, the AUC has become a top employer in Alberta – attracting individuals who are experts in their fields and dedicated to public service.

The success of this strategy will depend on the ability of AUC staff to implement the measures described above.

These challenges will require new and flexible approaches to how we work. In particular, the changes in our approach to regulation will make reliance on data more acute. In order to achieve our objectives, building out a data analysis function at the AUC will play a much greater strategic role in changing work practices and decision making.

## **AUC Objective**

The AUC has the necessary processes and resources in place to fulfill its mandate.



## Actions

- Develop a strategic workforce plan aimed at attracting and developing the evolving skillsets required for a modern regulator.
- Evaluate organizational design and structure to ensure alignment with our strategic goals and operational efficiency.
- Foster a flexible and inclusive hybrid work environment by leveraging technology, promoting efficiency and supporting employees.
- Build our bench strength in empirical analysis, utility finance, modeling, audit and artificial intelligence to enhance our approach to regulation.
- Continue to evolve information gathering and reporting requirements related to consumer needs and behaviors to identify important trends and shifting priorities.



# Bringing it all together

This document covers a relatively short period and does not attempt to engage in the longer-term consequences of the energy transition. It attempts to establish a clear path forward for the next five years for both the AUC and the sector we regulate.

One thing is clear – the successful implementation of this plan will require changes to what we do and how we do it. We recognize that the pace of change underway in the sector requires us to reflect on and adjust our approach to regulation. We need to remind ourselves that this strategic document is the foundation of all of our work as a regulator.

As we evolve, we recognize that gathering, using and sharing data effectively is a key focus to be an effective regulator in a rapidly changing sector. We will also have a number of internal-facing strategies that will be central to us delivering on our approach.

Each year we will develop an internal operational plan setting out how we practically meet the priorities set out in this strategy and our annual report card will report on our progress in meeting our objectives.

Delivering on our baseload work and these strategic objectives is a significant challenge for our organization and our senior leadership team as we build on our foundations and pursue our vision as a trusted leader that delivers innovative and efficient regulatory solutions for Alberta.



CHIEF EXECUTIVE BOB HEGGIE





# Commission

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The Commission is made up of not more than nine members appointed by the Lieutenant-Governor-in-Council. Many of the Commission's duties are adjudicative. Most of the Commission's regulation relates to investor-owned utility companies and market participants, and the issues are increasingly complex and often contentious.

The Commission members have expertise and experience across a number of disciplines. The Commission also utilizes acting Commission members, who are appointed by order-in-council. They can be called upon by the chair to adjudicate matters before the Commission.

The Commission relies on a team of approximately 134 staff with expertise in law, economics, finance, engineering, environmental science and accounting.

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## **COMMISSION MEMBERS:**

Chair Carolyn Dahl Rees  
Vice-Chair Doug Larder  
Vice-Chair Kristi Sebalj  
Michael Arthur  
Renée Marx  
Matthew Oliver  
Cairns Price  
Vera Slawinski

## **ACTING COMMISSION MEMBERS:**

Dennis Frehlich  
Doug Hawkins  
Maureen Higgins  
Vincent Kostas  
Lora Mattie  
John McCarthy



**Commission member biographies:**

**[www.auc.ab.ca/commission-member-biographies](http://www.auc.ab.ca/commission-member-biographies)**

# Executive leadership team

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The executive leadership team is responsible for overseeing the organization's strategic direction and day-to-day operations. The executive team creates organizational plans, ensures efficiencies, and manages the administration and financial aspects of the AUC.

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## **EXECUTIVE LEADERSHIP TEAM:**

Bob Heggie, Chief Executive

JP Mousseau, General Counsel

Darek Kogut, Executive Director, Corporate Services

Kim Macnab, Executive Director, Facilities

Kristjana Kellgren, Executive Director, Rates

Parvez Khan, Executive Director, Compliance and Enforcement



**Executive biographies:** [www.auc.ab.ca/executive-biographies](http://www.auc.ab.ca/executive-biographies)



# AUC

Alberta Utilities Commission

## **ANNUAL REPORT CARDS**

[www.auc.ab.ca/report-cards-and-reviews](http://www.auc.ab.ca/report-cards-and-reviews)

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