



Province of Alberta

AN ACT TO CAP REGULATED
ELECTRICITY RATES

**RATE CAP (COMMISSION APPROVED
REGULATED RATE TARIFFS)
REGULATION**

Alberta Regulation 138/2017

With amendments up to and including Alberta Regulation 199/2019

Current as of December 5, 2019

Office Consolidation

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(Consolidated up to 199/2019)

ALBERTA REGULATION 138/2017

An Act to Cap Regulated Electricity Rates

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Interpretation

1(1) In this Regulation,

- (a) “Act” means *An Act to Cap Regulated Electricity Rates*;
- (b) “approved deferral account statement” means a deferral account statement that has been approved by the Commission under section 4;
- (c) “business day” means a day other than a Saturday or a holiday as defined in the *Interpretation Act*;
- (d) “deferral account” means a deferral account established under section 3(1);
- (e) “deferral account statement” means a deferral account statement required to be submitted under this Regulation;
- (f) “load settlement” means load settlement as defined in the *Electric Utilities Act*.

(2) This Regulation applies with respect to owners referred to in section 2(1) of the Act.

Determination of payments

2(1) In respect of a month during which an owner determines electric energy charges in accordance with section 2(1)(b) of the Act, the owner may be paid the full difference between

- (a) the amount the owner would charge if the owner determined the electric energy charges for the month in accordance with section 2(1)(a) of the Act, and
- (b) the amount the owner charges when the owner determines the electric energy charge in accordance with section 2(1)(b) of the Act.

(2) The amount payable to an owner in respect of a month must

- (a) be determined initially using forecast values in accordance with section 3(3)(a),
- (b) be adjusted to an amount determined using actual values in accordance with section 3(3)(b), and
- (c) be finally reviewed and either confirmed or varied by the Commission under section 6.

Deferral account

3(1) An owner shall establish a deferral account for the purpose of the administration of payments under section 4 of the Act.

(2) Subject to section 7, during the period beginning on June 1, 2017 and ending on November 30, 2019, an owner shall include with the owner's submission to the Commission under section 12 of the *Regulated Rate Option Regulation* for a calendar month

- (a) the actual consumption in kWh of regulated rate customers in each rate class determined through the final load settlement calculations for the most recent 6 months for which that information is available, and
- (b) a completed deferral account statement for the calendar month, in the form prescribed by the Minister, for the Commission's approval.

(3) An owner shall show the following in the owner's deferral account statement:

- (a) for the calendar month for which the owner is making the owner's submission under section 12 of the *Regulated Rate Option Regulation*

- (i) the monthly rate per kWh submitted by the owner for each rate class,
- (ii) the forecast consumption in kWh for regulated rate customers in each rate class,
- (iii) zero in respect of each rate class for which the monthly rate per kWh being submitted by the owner does not exceed 6.8 cents per kWh,
- (iv) the amount determined by the following formula in respect of each rate class for which the monthly rate per kWh being submitted by the owner exceeds 6.8 cents per kWh:

$$a = (\text{mrs} - 6.8 \text{ cents per kWh}) \times \text{fc}$$

where

- a is the amount to be shown in respect of that rate class,
- mrs is the monthly rate per kWh for that rate class submitted by the owner, and
- fc is the forecast consumption in kWh for that month for regulated rate customers in that rate class,

and

- (v) the total of the amounts shown under subclauses (iii) and (iv), including any applicable goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada) on those amounts;
- (b) for each calendar month for which the monthly rates per kWh determined in accordance with the owner's new RRO rate energy price setting plan as posted under section 13 of the *Regulated Rate Option Regulation* and the actual consumption in kWh determined through the final load settlement calculations of regulated rate customers in each rate class are available but have not previously been included in a deferral account statement,
- (i) the monthly rate per kWh determined in accordance with the owner's new RRO energy price setting plan for each rate class for that month,
 - (ii) the actual consumption in kWh of regulated rate customers in each rate class for that month

- determined through the final load settlement calculations,
- (iii) for each rate class, the amount previously shown in the deferral account statement in respect of the month under clause (a)(iii) or (iv),
 - (iv) for each rate class, the recalculation, determined using the rate and consumption referred to in subclauses (i) and (ii) in accordance with the instructions set out in the deferral account statement form, of the amount shown under subclause (iii), and
 - (v) for each rate class, the amount obtained by subtracting the amount shown under subclause (iii) from the amount shown under subclause (iv);
- (c) the balance adjustment for the deferral account, being the total of the amounts shown under clause (b)(v) for the months included under clause (b), including any applicable goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada) on those amounts;
 - (d) the deferral account balance, if any, payable to the owner or repayable to the Government of Alberta, determined by adding the total amount shown under clause (a)(v) and the balance adjustment shown under clause (c).

AR 138/2017 s3;199/2019

Approval of deferral account statement

- 4(1)** The Commission may determine the process by which it approves a deferral account statement.
- (2)** In considering whether to approve a deferral account statement, the Commission shall confirm the calculation of amounts in the deferral account statement.
- (3)** An owner shall
- (a) provide to the Commission any records or other information the Commission may require to confirm the information and amounts set out in deferral account statements submitted by the owner, and
 - (b) retain records sufficient to enable the Commission to audit the deferral account statements submitted by the owner.
- (4)** An owner shall submit a corrected deferral account statement for the Commission's approval under this section if

- (a) the Commission determines that there is an error in a deferral account statement or that there has been a change in information set out in a deferral account statement and the Commission requires the owner to submit a corrected deferral account statement, or
 - (b) the owner determines that there is a material error in a deferral account statement or that there has been a material change in information set out in a deferral account statement.
- (5) The Commission must determine whether to approve a deferral account statement on or before the first day of the calendar month in respect of which the deferral account statement was submitted.
- (6) An owner shall submit a deferral account statement to the Minister within 5 business days after the deferral account statement is approved by the Commission.
- (7) On request of the Minister, the Commission shall review an approved deferral account statement in detail to confirm the accuracy of any of the information or amounts set out in the deferral account statement.

Payment

- 5(1)** The amount of a deferral account balance that is payable to an owner as shown in an approved deferral account statement shall be paid within 30 days after the Minister receives the approved deferral account statement.
- (2)** An owner shall pay a deferral account balance that is repayable to the Government of Alberta as shown in an approved deferral account statement within 30 days after the deferral account statement is approved by the Commission.

Final review and disposition of deferral account

- 6(1)** An owner shall apply to the Commission for a final review and disposition of the owner's deferral account within 6 months after November 30, 2019.
- (2)** In conducting a final review and disposition of an owner's deferral account the Commission shall review the deferral account statements submitted by the owner in respect of the period beginning on June 1, 2017, and ending on November 30, 2019, to confirm the information and amounts set out in the deferral account statements and determine whether
- (a) an amount remains owing to the owner under section 2(1) of this Regulation, or

(b) the owner has been overpaid an amount under section 2(1) of this Regulation.

(3) An owner shall provide to the Commission any records or other information the Commission may require to confirm the information and amounts set out in deferral account statements submitted by the owner.

(4) If, on a final review, the Commission determines that an amount is owing to an owner under section 2(1), the amount shall be paid to the owner within 30 days after the date of the Commission's determination.

(5) If, on a final review, the Commission determines that an owner has been overpaid under section 2(1), the owner shall repay the amount to the Minister within 30 days after the date of the Commission's determination.

AR 138/2017 s6;199/2019

Transitional

7 An owner shall include the owner's deferral account statements for June, July and August 2017 with the owner's submission to the Commission under section 12 of the *Regulated Rate Option Regulation* for September 2017.

Amendments to the Regulated Rate Option Regulation

8 The *Regulated Rate Option Regulation* (AR 262/2005) is amended

(a) in section 6

(i) in subsection (1) by adding the following after clause (d):

(d.1) not have regard to a rate established by or under section 2(1)(b) or (2)(b) of *An Act to Cap Regulated Electricity Rates*,

(ii) by adding the following after subsection (2):

(3) Subsection (2) does not apply with respect to a deferral account established under *An Act to Cap Regulated Electricity Rates*.

(b) by repealing the heading before section 24 and sections 24 and 25;

(c) by repealing the heading "Expiry";

(d) by repealing section 28.

Application

9 This Regulation, except section 8, is effective on and from June 1, 2017.



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