



Alberta Electric System Operator

**Utility Payment Deferral Program:
Rate Rider - Electricity**

June 17, 2022

Alberta Utilities Commission

Decision 26684-D02-2022

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Proceeding 26684

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1 Summary

1. In this decision, the Alberta Utilities Commission closes out the Alberta Electric System Operator (AESO) Utility Payment Deferral Program (UPDP) rate rider, called Rider L, closes out an EPCOR Energy Alberta GP Inc. (EEA) deferral account established under the UPDP, and approves a payment of \$2,458.58¹ from the AESO to PowerBill Utility Billing Solutions Inc. (PowerBill) for unrecovered electricity customer bills in connection with the UPDP. Further, the Commission approves the AESO's proposal to pay the Balancing Pool the over-collected rate rider funds. After accounting for the payment to PowerBill, the AESO will pay the Balancing Pool \$536,183.91.²

2. Rider L is closed, effective June 18, 2022. Similarly, EEA's deferral account for the UPDP is closed, effective June 18, 2022.

2 Background

3. On March 18, 2020, the Government of Alberta announced that "Albertans who are experiencing financial hardship directly related to the COVID-19 pandemic can work with their utility company to defer electricity and natural gas bills until June 18, 2020 without any late fees or added interest payments."

4. On May 12, 2020, the *Utility Payment Deferral Program Act* (UPDP Act) was enacted to enable electricity service providers, gas service providers and gas distributors to fulfill their obligations pursuant to the UPDP.

5. The Commission issued decisions related to the UPDP for electricity:

- (a) Approving the applications of the electricity service providers seeking funding from the Balancing Pool for the deferred bill payment amounts from enrolled electricity customers, other than for the portion of the electricity bill payments relating to transmission charges.³

¹ Pre-goods and services tax amount of \$2,341.50 plus \$117.08 of GST for a total of \$2,458.58.

² This amount includes goods and services tax, and the Balancing Pool will be responsible for remitting the GST portion to the Canada Revenue Agency.

³ Decision 25591-D02-2020: Direct Energy Marketing Limited, Decision 25585-D02-2020: Just Energy Alberta L.P. and Hudson Energy Canada Corp., Decision 25575-D02-2020: Utility Network & Partners Inc., Decision 25600-D02-2020: Link Energy Supply Inc., Decision 25594-D02-2020: ATCO Energy Ltd., Decision 25592-D02-2020: 1772387 Alberta Limited Partnership (Encor), Decision 25599-D02-2020 (Corrigendum): ENMAX Energy Corporation, Decision 25721-D02-2020: Blue Mountain Power Co-op, Decision 25713-D02-2020: XOOM Energy Canada, ULC, Decision 25661-D02-2020: Battle River Power

- (b) Approving the application of the AESO to grant the “necessary approval to enable the Alberta Electric System Operator to fulfill the direction given to it by the Associate Minister of Energy” to support the UPDP.⁴
- (c) Approving the establishment of deferral accounts for regulated rate providers to administer payments under the UPDP.⁵

6. The AESO was responsible for funding the portion of the deferred electricity bill payments related to transmission charges for enrolled electricity customers.

7. Under sections 6 and 16 of the UPDP Act, enrolled electricity customers were required to repay their electricity and natural-gas bills that were deferred and they had until June 18, 2021, to make these repayments. Notwithstanding this requirement, it was anticipated in the UPDP Act that there would be some electricity customer bills that were deferred that would not be repaid.

8. Consequently, under Section 11 of the UPDP Act, the AESO and the Balancing Pool were directed to apply to the Commission for approval of an AESO rate rider, Rider L. In Decision 26684-D01-2021,⁶ the Commission approved Rider L in a total amount of no greater than \$8,776,854.70 to recover the uncollected electricity customer bill amounts that were deferred under the UPDP. Ultimately, Rider L recovered transmission, energy, administration and distribution-related charges deferred by enrolled electricity customers, carrying costs approved for recovery by the Commission, and funding amounts that the Balancing Pool provided to enter into and administer the associated funding agreements. Rider L also recovered unpaid deferred electric bill amounts that were self-funded pursuant to Section 3 of the UPDP Regulation.⁷ The total amount of Rider L was to be recovered in full no later than June 18, 2022, which is the last day of the rate-rider period as defined in Section 1(d) of the UPDP Act.

9. The current application from the AESO is to finalize Rider L. In addition, EEA, a regulated rate option provider to whom the Commission granted a deferral account under the UPDP, requested that the Commission close its deferral account. Also, PowerBill filed an application requesting \$13,167.20 in unrecovered electricity customer bill amounts. The Commission, in the sections below, provides its findings on the three applications.

3 The AESO’s application

10. On June 7, 2022, the AESO submitted a letter⁸ indicating that it had completed the collection and payment of all amounts under Rider L, and indicated that the money collected from Rider L was greater than the approved amounts the AESO was directed to repay to the

Coop, Decision 25595-D02-2020: Sponsor Energy Inc., Decision 25590-D02-2020: PowerBill Utility Billing Solutions Inc., Decision 25586-D02-2020: Campus Energy Partners LP.

⁴ Decision 25508-D02-2020: Alberta Electric System Operator, Request for Deferral of Payment of 2020 Interim Refundable Demand Transmission Service Charges, Proceeding 25508, April 27, 2020.

⁵ Decision 25593-D01-2020: EPCOR Energy Alberta GP Inc., Utility Payment Deferral Program: Application for Deferral Account Approval, Proceeding 25593, May 28, 2020.

⁶ Decision 26684-D01-2021: Utility Payment Deferral Program: Rate Rider – Electricity, Proceeding 26684, June 17, 2022.

⁷ Decision 26684-D01-2021, paragraph 37, Table 2 - Maximum amounts approved to be recovered through AESO Rider L

⁸ LT AUC Request for approval to allocate over-collection under Rider L to the Balancing Pool, June 7, 2022.

parties involved in the UPDP. It requested approval from the Commission to pay the Balancing Pool all amounts (i) over-collected by the AESO under Rider L, and (ii) over-collected and paid by distribution facility owners (DFOs) to the AESO as part of the UPDP (collectively, the over-collected amount).

11. The AESO reported that the over-collected amount is \$538,642.49, which includes goods and services tax (GST). Referring to the Commission's general power in Section 24 of the UPDP Act, the AESO applied to the Commission to pay the over-collected amount to the Balancing Pool. The AESO submitted that this is the most efficient means to refund the outstanding balance to customers and noted that this approach is acceptable to the Balancing Pool.

12. The AESO explained that it was proposing the above method because, as confirmed by the Balancing Pool, the Balancing Pool will apply the amounts as an offset to the Balancing Pool deferral account liability or to otherwise reduce the Balancing Pool's revenue requirement. This means that costs of the Balancing Pool that would otherwise be paid for by ratepayers through Rider F of the independent system operator Tariff, *Balancing Pool Consumer Allocation Rider*, will be correspondingly reduced. The AESO confirmed that ratepayers subject to Rider F are the same ratepayers subject to Rider L.

13. As directed in Decision 26684-D01-2021, the Commission notes that the AESO filed monthly post-disposition reports with the Commission that detailed the receipt of all payments received from retailers, DFOs, self-funded electricity service providers and the Balancing Pool that had been paid by enrolled electricity customers after the end of the repayment period, the status of collected Rider L amounts and amounts still outstanding.

14. The AESO reported that an adjustment was made to the Commission approved maximum amount to be paid to the Balancing Pool from the Rider L revenues. It included a reconciliation prepared by the Balancing Pool, which noted that the \$4,574,785.05 maximum amount approved to be paid to the Balancing Pool in Decision 26684-D01-2021 had been reduced to \$4,298,321.98, because the Balancing Pool had received \$276,463.07 in repayments from retailers subsequent to the issue of Decision 26684-D01-2021. The Balancing Pool's reconciliation indicated that the \$4,298,321.98 was a pre-GST figure, and it noted that the payments it received from the AESO of \$4,513,238.08 included GST of \$214,916.10. In its reconciliation, the Balancing Pool stated that it remitted the GST portion of the payments it received from the AESO, to the Canada Revenue Agency, which left the net amount of \$4,298,321.98 for the account of the Balancing Pool.

15. The Commission agrees with the Balancing Pool that the GST associated with the payment it received from the AESO has to be included on the Balancing Pool's GST return and is for the account of the Receiver General of Canada (and not the Balancing Pool). Therefore, in order for the Balancing Pool to be kept whole and collect the balance owing to it for its accounts, it was necessary for the AESO to pay \$4,513,238.08 to the Balancing Pool.

16. The AESO submitted that the \$8,504,019.44 Rider L money it collected included GST. The Commission considers that the AESO has reported and accounted for the Rider L revenues and the GST associated with the rate rider revenues, and the Commission acknowledges the total overcollection amount of \$538,642.49 as reported by the AESO, and notes that this amount includes GST.

17. Section 24 of the *Utility Payment Deferral Program Act* permits the Commission to do all things that are necessary for or incidental to the exercise of its powers and the performance of its duties and functions under the act. The Commission finds that the AESO's request to pay the over-collected amount to the Balancing Pool is acceptable. The Commission agrees with the AESO that this is the most efficient way to refund this money to the ratepayers who were subject to Rider L, and it benefits from having the support of the Balancing Pool. The amount to be paid to the Balancing Pool will be net of the amount payable to PowerBill. In Section 4 below, the Commission has approved a payment of \$2,458.58 to PowerBill, which includes GST. Therefore, the Commission directs the AESO to pay the remaining over-collected amount of \$536,183.91 to the Balancing Pool. The AESO should report the GST amount of the overcollection to the Balancing Pool, in order that the Balancing Pool can account for this amount on its GST return.

18. The AESO mentioned in its application that there may be additional rider revenue and GST on that revenue, which may be forthcoming through the DFOs. The Commission directs the AESO to pay any such amounts it receives to the Balancing Pool, and report the GST amount of any such payments to the Balancing Pool.

19. The Commission confirms that, as of June 18, 2022, the AESO Rider L is closed.

4 PowerBill Utility Billing Solutions Inc's application

20. On June 13, 2022, the Commission received an application and an Excel workbook from PowerBill requesting funding relief from the UPDP electricity rate rider, Rider L, for unrecovered electricity customer bill amounts. PowerBill explained that it had received UPDP funding of \$41,721.49 under the program and had repaid the full amount to the Balancing Pool,⁹ even though its customers had not repaid the entire \$41,721.49 to PowerBill. In the workbook, PowerBill provided further billing data regarding the deferred payment amounts that had not been collected from enrolled customers who deferred their bills under the UPDP.

21. On the tab called "Deferred List" of the workbook, there is information about PowerBill's customers who did not repay either the entire amount of their electricity charges, natural-gas charges or combined natural-gas and electricity charges that were deferred under the UPDP. The unrepaid electricity charges are \$2,341.50; the unrepaid natural-gas charges are \$915.94; and the unrepaid combined natural-gas and electricity charges are \$9,909.76, for a total of \$13,167.20. PowerBill indicated that at this time, they are unable to separate the \$9,909.76 into the amounts owing for electricity charges and natural-gas charges.

22. The unrecovered electricity charges and the unrecovered natural-gas charges from the UPDP were recovered through separate rate riders; one for electricity customers and one for natural-gas customers. The settlement of the differences between the revenues collected from these riders and the approved balances to be collected is made through two different entities. The AESO has applied to settle the electricity differences by paying the Balancing Pool and the settlement of the natural-gas differences is made through the Associate Minister of Natural Gas and Electricity.

⁹ The Commission confirms, according to the reporting received during the program, that PowerBill did pay the \$41,721.49 owing to the Balancing Pool, in full.

23. The Commission accepts the \$2,341.50 in unrepaid electricity charges included in PowerBill's workbook, and finds that this amount, plus GST of \$117.08, for a total of \$2,458.58, should be refunded to PowerBill by the AESO from the over-collected Rider L funds. The Commission finds that without knowing how much of the \$9,909.76 unrepaid combined natural-gas and electricity charges is for natural gas and how much is for electricity, it cannot approve PowerBill's request to recover the \$9,909.76 because it cannot determine how much should be refunded to PowerBill from the electricity rate rider revenue and from the natural-gas rate rider revenue, respectively. To unilaterally make an allocation of the \$9,909.76 between electricity and natural gas runs the risk of cross-subsidization between electricity and natural-gas customers, and the Commission is unable to make such an allocation without evidence on the appropriate allocations to each of electricity and natural gas.

24. Further, pursuant to Section 25(2) of the UPDP Act, the Commission may exercise its jurisdiction to conduct an audit of the amounts provided by PowerBill that relate to this decision if necessary.

5 UPDP Rate Rider – Electricity and overcollection

25. The Commission has directed the AESO to pay PowerBill \$2,458.58 for the reasons provided in the previous section of this decision. The Commission confirms that in paragraph 17 above, it has also directed that the AESO must pay the remaining overcollection of \$536,183.91 to the Balancing Pool.

26. Further the Commission finds that the AESO has complied with the Commission order in paragraph 42(4) of Decision 26684-D01-2021, regarding the monthly filing of information for the receipt of payments, the status of collected rate rider amounts and that the final balance of Rider L results in an overcollection.

27. The Utility Payment Deferral Program for electricity is now complete because Rider L is now closed.

6 EPCOR Energy Alberta GP Inc.'s deferral account application

28. The Commission notes that, regarding electricity utilities, only EEA was granted approval to establish a deferral account through the UPDP.¹⁰ On June 13, 2022, EEA submitted a letter¹¹ requesting the closure of its deferral account. EEA confirmed that the account has been reconciled and should be discontinued. On June 15, 2022, EEA submitted numerical information¹² to confirm that the balance in the deferral account is zero.

29. The Commission finds that because the balance in EEA's UPDP deferral account is zero, and because the UPDP is now closed, it is no longer necessary for EEA to have a UPDP deferral account. Therefore, the Commission approves EEA's request to close the deferral account, effective June 18, 2022.

¹⁰ EPCOR Energy Alberta GP Inc. Utility Payment Deferral Program: Application for Deferral Account Approval Proceeding 25593 May 28, 2020.

¹¹ EEA - UPDP Post-Disposition Letter, June 13, 2022.

¹² EEA - UPDP Post-Disposition Letter, June 15, 2022.

7 Order

30. It is hereby ordered:

- (1) Pursuant to Section 1(d) of the *Utility Payment Deferral Program Act*, the Alberta Electric System Operator Rider L is closed as of June 18, 2022.
- (2) The Alberta Electric System Operator is directed to pay \$2,458.58 to PowerBill Utility Billing Solutions Inc.
- (3) The Alberta Electric System Operator is directed to pay \$536,183.91 to the Balancing Pool.
- (4) Pursuant to Section 9(2) of the *Utility Payment Deferral Program Act* and Section 3(6) of the *Utility Payment Deferral Program Regulation*, it is possible that retailers, DFOs, self-funded electricity service providers and the Balancing Pool may still receive payments from enrolled electricity customers notwithstanding the closure of the rate rider. The Commission directs the Alberta Electric System Operator to pay any such amounts it receives to the Balancing Pool, and report the GST amount of any such payments to the Balancing Pool.
- (5) Effective June 18, 2022, EPCOR Energy Alberta GP Inc.'s Utility Payment Deferral Program deferral account established under Section 7(1) of the *Utility Payment Deferral Program Act* is closed.
- (6) Pursuant to Section 25(2) of the *Utility Payment Deferral Program Act*, the Commission may exercise its jurisdiction to conduct an audit of the amounts provided by PowerBill Utility Billing Solutions Inc. and EPCOR Energy Alberta GP Inc. that relate to this decision if necessary.

Dated on June 17, 2022.

Alberta Utilities Commission

(original signed by)

Neil Jamieson
Commission Member