



## **ENMAX Energy Corporation**

**2022-2023 Regulated Rate Option Non-Energy Tariff True-Up**

**August 14, 2023**

**Alberta Utilities Commission**

Decision 28303-D01-2023

ENMAX Energy Corporation

2022-2023 Regulated Rate Option Non-Energy Tariff True-Up

Proceeding 28303

August 14, 2023

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## **1 Decision summary**

1. In this decision, the Alberta Utilities Commission approves, in part, ENMAX Energy Corporation's (EEC) application to true up its 2022-2023 interim rates relative to its approved regulated rate option (RRO) non-energy administration charges. The Commission approves a rate rider in the amount of \$0.1231 per day for residential customers and \$0.1113 per day for commercial customers to recover the outstanding balance from EEC's RRO customers. The rate rider will be effective from September 1, 2023, to February 29, 2024.

## **2 Background**

2. On June 30, 2023, EEC filed an application with the Commission requesting approval of its 2022-2023 non-energy RRO tariff true-up application. EEC proposed a six-month rate rider of \$0.1307 and \$0.1178 per day for residential and commercial customers, respectively. EEC explained that its proposed charges were designed to recover the difference between the approved administration charges and the approved interim rates for both the residential and commercial rate classes.

3. The Commission issued notice of the application on July 4, 2023, which required parties to provide a statement of intent to participate or written submission by July 14, 2023. No statements of intent to participate were filed.

4. The Commission considers the record of this proceeding to have closed on July 14, 2023. The Commission reviewed the entire record in coming to this decision; lack of reference to a matter raised during this proceeding does not mean it was not considered. For the reasons stated in Section 3 of this decision, the Commission approves, in part, EEC's application.

## **3 Interim rates true-up**

5. The Commission prefers to approve rates on a final, prospective basis, which allows customers to know the final rates they will pay for any billing period before the start of the billing period. Once final rates are approved, they are not subject to any future revision or true-up because of a general prohibition against retroactive ratemaking. When the Commission approves interim rates, those interim rates stay in place until final rates are approved. After the interim rate period ends, an application will be made to true up the interim rates to the final rates for the interim period. In the true-up of interim rates, the applicant calculates the difference between: (i) the revenues that it would have collected if final rates had been in place for the interim rate period; and (ii) the actual revenues collected for the same period using the approved interim rates that were in place.

6. The interim rate period for this application is January 1, 2022, to May 30, 2023, which comprises two time periods during which the interim rates were different. The first time period is January 1, 2022, to December 31, 2022. The interim rates for this time period were approved in Decision 27043-D01-2021.<sup>1</sup> The second time period is January 1, 2023, to May 30, 2023. The interim rates for the second time period were approved in Decision 27714-D01-2022.<sup>2</sup>

7. The revenue differences, or true-up amounts, that EEC calculated are included in various worksheets of Exhibit 28303-X0002.<sup>3</sup> These aggregate amounts are \$2,245,394.88 plus carrying charges for residential customers and \$187,650.29 plus carrying charges for commercial customers. The carrying charges, calculated by EEC, are \$138,464.70 for residential customers and \$10,957.56 for commercial customers. The interim-to-final rate collection calculated by EEC is \$0.1307 per day for residential customers and \$0.1178 per day for commercial customers.

8. The Commission denies EEC's request to collect carrying charges on the true-up amounts for the reasons provided below. The Commission approves the true-up amounts from interim rates to the approved Negotiated Settlement Agreement (NSA) administration charges, excluding carrying charges, that are equal to \$0.1231 per day for residential customers and \$0.1113 per day for commercial customers.

### 3.1 Carrying charges

9. The Commission denies EEC's request to recover carrying charges on the difference between interim and final approved administration charges for 2022 and 2023. As described in more detail below, EEC provided insufficient information justifying its 2022 carrying costs, and EEC has not met the eligibility criteria set out in Section 3(2)(a) of Rule 023: *Rules Respecting Payment of Interest* for its 2023 carrying costs.

10. EEC applied for 2022 interim administration charges in Proceeding 27043 on December 9, 2021. The Commission did not consider EEC's proposed interim administration charges to be contentious given that they were a continuation of EEC's 2021 interim administration charges. Subsequently, the Commission expeditiously approved EEC's 2022 interim administration charges such that the rates would be in effect for January 1, 2022.<sup>4</sup>

11. On November 18, 2022, EEC filed its 2022-2024 non-energy RRO tariff in Proceeding 27714 requesting final administration charges for years 2022 to 2024.<sup>5</sup> In that application, EEC also requested the Commission approve its 2023 administration charges on an interim refundable basis, effective January 1, 2023.

12. For the year 2022, it is unclear to the Commission why there was almost a year-long delay between when EEC requested interim administration charges to when EEC requested final administration charges. Generally, ratemaking and rates are prospective. While it was unusual to request final revenue requirements and rates near year-end, neither the Commission nor interveners contemplated how ratemaking with actuals could affect future compliance

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<sup>1</sup> Decision 27043-D01-2021: ENMAX Energy Corporation, 2022 Non-Energy Regulated Rate Option Interim Tariff, Proceeding 27043, December 16, 2021.

<sup>2</sup> Decision 27714-D01-2022: ENMAX Energy Corporation, 2023 Non-Energy Regulated Rate Option Interim Tariff, Proceeding 27714, December 22, 2022.

<sup>3</sup> Exhibit 28303-X0002, Appendix A.

<sup>4</sup> Decision 27043-D01-2021.

<sup>5</sup> Proceeding 27714, Exhibit 27714-X0001, application.

applications involving carrying charges because carrying charges were previously not normally permitted for interim rate true-ups, except in situations where regulatory lag had significantly delayed the payment of a charge or refund of amounts requiring approval.

13. As contemplated under Rule 023, an award of carrying costs is discretionary. While the Commission considers that carrying costs on adjustments from interim to final approved rates are normally excluded from recovery, Rule 023, Section 3(2), sets out the following requirements that must be met to be eligible for the payment of interest:

- (a) a balance must be outstanding for a period of not less than 12 months prior to a request for the payment of interest; and
- (b) the minimum amount of the forecast aggregate change on an outstanding balance; adjustment of rates, tariffs, tolls or charges; or other cost shall be the greater of +/- \$1,000,000 or +/- three per cent of the original balance.

14. The Commission considers these to be minimum requirements and it may consider other relevant factors in deciding whether to exercise its discretion to award carrying charges under Rule 023. When assessing the period for which a balance is outstanding, the Commission considers the time between approval of interim and final rates to be relevant. This interpretation is consistent with previous Commission decisions considering this issue, albeit under the previous version of Rule 023.<sup>6</sup>

15. For the year 2022, the Commission approved EEC's request for interim administrative charges on December 16, 2021, one week after the application was filed. The Commission approved EEC's November 18, 2022, request for final 2022 administration charges on May 26, 2023, approximately half a year after the application was filed. Both interim and final administrative charges were approved in a timely manner, within the metrics of the process types assigned to the respective proceedings. The Commission concludes that the approximate 18-month lag in obtaining final rates largely relates to EEC's choice to delay its application for final administration charges until almost a year had passed since interim rates took effect.

16. The Commission views that any carrying cost awards should take into consideration the effort of the utility to file its request reasonably promptly in order to mitigate these costs. There was no explanation provided by EEC concerning the lag in time in applying for final 2022 administrative charges. The Commission considers that EEC could have applied for final 2022 administration charges earlier to potentially avoid or reduce carrying costs. Accordingly, the Commission is not persuaded that carrying charges were prudently incurred and, therefore, the Commission denies recovery of carrying charges for 2022.

17. Following the approval of interim 2023 administrative charges, the Commission approved an NSA including final 2023 administrative charges, effective June 1, 2023.<sup>7</sup> In its analysis, the Commission considers that there was a six-month lag between approval of interim and final administrative charges. Therefore, the balance was outstanding for a period of less than 12 months and the Commission does not find that EEC has met the eligibility criteria under

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<sup>6</sup> Decision 24375-D01-2020: ATCO Electric Ltd., Disposal of 2015-2017 Transmission Deferral Accounts and Annual Filing for Adjustment Balances, Proceeding 24375, November 30, 2020.

<sup>7</sup> Decision 27714-D02-2023: ENMAX Energy Corporation, 2022-2024 Non-Energy Regulated Rate Option Tariff Negotiated Settlement Agreement, Proceeding 27714, May 26, 2023.

Section 3(2)(a) of Rule 023. Accordingly, the Commission also denies recovery of carrying charges for 2023.

#### 4 Order

18. It is hereby ordered that:

- (1) ENMAX Energy Corporation's request for an aggregate true-up amount of \$2,245,394.88 for residential customers and \$187,650.29 for commercial customers to true up its 2022-2023 non-energy RRO interim rates to approved NSA administration charges is approved, in part.
- (2) The Commission approves a RRO rate rider equal to \$0.1231 per day for residential customers and \$0.1113 per day, as included in the rate schedule attached as [Appendix 2](#) to this decision, for commercial customers effective September 1, 2023, until February 29, 2024.

Dated on August 14, 2023.

#### Alberta Utilities Commission

*(original signed by)*

Matthew Oliver, CD  
Commission Member

**Appendix 1 – Proceeding participants**

<b>Name of organization (abbreviation) Company name of counsel or representative</b>
ENMAX Energy Corporation (ENMAX or EEC)

Alberta Utilities Commission
Commission panel M. Oliver, CD, Commission Member
Commission staff R. Watson (Commission counsel) E. Chu A. Hollis J. Schinke



## Appendix 2 – Rate schedule

[\(return to text\)](#)



Appendix 2 - Rate  
schedule

(consists of 10 pages)

**2023 REGULATED RATE OPTION TARIFF**

The rate schedules are for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Rate Schedules****Rate Description**

Rider

Residential *Regulated Rate Option* TariffSmall Commercial *Regulated Rate Option* TariffMedium Commercial *Regulated Rate Option* TariffLarge Commercial *Regulated Rate Option* Tariff**Rider**

In Decision 28303-D01-2023, the AUC approved the recovery of a daily rider of \$0.1231 per site per day for residential RRO customers and \$0.1113 per site per day for commercial RRO customers from September 1, 2023, to February 29, 2024.

**Local Access Fee (“LAF”)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

LAF	11.11% of the total revenue from Distribution Tariff rate charges in the billing period
	Plus
	11.11% of Energy Revenue
	Where,
	Energy Revenue is the Residential Rate R100 Energy Charge times Energy Delivered.

Decision 28303-D01-2023, effective September 1, 2023.

**2023 REGULATED RATE OPTION TARIFF****Residential**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. This rate applies to “rate classification customers” as defined by the *Regulated Rate Option Regulation* (AR 262/2005).
2. This rate applies to all Residential customers which obtain D100 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2958 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1231 per day
System Access Service Charge	As per Distribution Tariff
Distribution Assess Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

**2023 REGULATED RATE OPTION TARIFF****Small Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers which obtain D200 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2776 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
Distribution Access Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

**2023 REGULATED RATE OPTION TARIFF****Medium Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers which obtain D300 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2776 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
Distribution Access Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

**2023 REGULATED RATE OPTION TARIFF****Large Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers who obtain D310 or D410 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2776 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
Distribution Access Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

**2024 REGULATED RATE OPTION TARIFF**

The rate schedules are for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Rate Schedules****Rate Description**

Rider

Residential *Regulated Rate Option* TariffSmall Commercial *Regulated Rate Option* TariffMedium Commercial *Regulated Rate Option* TariffLarge Commercial *Regulated Rate Option* Tariff**Rider**

In Decision 28303-D01-2023, the AUC approved the recovery of a daily rider of \$0.1231 per site per day for residential RRO customers and \$0.1113 per site per day for commercial RRO customers from September 1, 2023, to February 29, 2024.

**Local Access Fee (“LAF”)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

LAF                    11.11% of the total revenue from Distribution Tariff rate charges  
in the billing period

Plus

11.11% of Energy Revenue

Where,

Energy Revenue is the Residential Rate R100 Energy Charge times  
Energy Delivered.

Decision 28303-D01-2023, effective January 1, 2024.

**2024 REGULATED RATE OPTION TARIFF****Residential**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. This rate applies to “rate classification customers” as defined by the *Regulated Rate Option Regulation* (AR 262/2005).
2. This rate applies to all Residential customers which obtain D100 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.3096 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1231 per day
System Access Service Charge	As per Distribution Tariff
Distribution Assess Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

Decision 28303-D01-2023, effective January 1, 2024.

Decision 28303-D01-2023 (August 14, 2023)



**2024 REGULATED RATE OPTION TARIFF****Small Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers which obtain D200 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2973 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
Distribution Access Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

Decision 28303-D01-2023, effective January 1, 2024.

Decision 28303-D01-2023 (August 14, 2023)

**2024 REGULATED RATE OPTION TARIFF****Medium Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers which obtain D300 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2973 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
Distribution Access Service Charge	As per Distribution Tariff

**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

All services provided under this rate are subject to ENMAX Energy Corporation Terms and Conditions for the Regulate Rate Option Tariff.

Decision 28303-D01-2023, effective January 1, 2024.

Decision 28303-D01-2023 (August 14, 2023)

**2024 REGULATED RATE OPTION TARIFF****Large Commercial**

This rate schedule is for the provision of electricity services in accordance with the *Regulated Rate Option Regulation* (AR 262/2005) and the *Electric Utilities Act*, S.A. 2003, c. E-5.1.

**Applicability**

1. Commercial Customers are eligible for this rate if a reasonable forecast of the customer's annual consumption of electric energy at a Site is less than 250 MWh.
2. This rate applies to all Commercial customers who obtain D310 or D410 service pursuant to the ENMAX Power Corporation Distribution Tariff.

**Rate**

Energy Charge	Changes Monthly (\$/kWh)
Administration Charge	\$0.2973 per day
Rider (Sept 1/23 to Feb 29/24)	\$0.1113 per day
System Access Service Charge	As per Distribution Tariff
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**Local Access Fee (LAF)**

The LAF is a surcharge imposed by the City of Calgary and is applicable to all services located within the City of Calgary.

**Billing Period**

Monthly

**Terms and Conditions**

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