

November 12, 2024

Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, AB T2P 0G5

Attention: Laura Johnson

Re: Bulletin 2024-21: Draft rule to facilitate funding to the Utilities Consumer Advocate Feedback from Apex Utilities Inc.

On October 8, 2024, the Alberta Utilities Commission (AUC or Commission) issued Bulletin 2024-21 (Bulletin) to establish a written consultation process to gather input and feedback on its draft rule to facilitate funding to the Utilities Consumer Advocate (UCA). Apex Utilities Inc. (Apex) appreciates the opportunity to provide stakeholder feedback on the draft rule and the UCA Administrative Fee Backgrounder (Backgrounder) included in the Bulletin.

Regarding the draft rule, Section 5, subsection (3)(b), does not appear to be applicable given the definition of a “utility” in the draft rule. Accordingly, Apex proposes this clause should be removed.

In review of the Backgrounder document, Apex provides comments regarding the last sentence of the third paragraph that states, “There would be a new line item on customer utility bills identifying their contribution to the UCA’s annual funding.” While this requirement is not included in the draft rule, Apex has concerns if this new requirement were to be implemented as noted below for the Commission’s consideration:

1. The requirement to add a new line item on customer bills would increase regulatory burden. Currently, UCA assessment fees are approved as a deferral account with Y factor treatment under the performance-based regulation plan or flow-through cost treatment under cost-of-service in the calculation of Apex’s annual distribution rates. A new bill line item would require the creation of a new rate to calculate and display the UCA administration fee. Creating a new rate poses a few challenges that would need to be explored such as:

- a) the required calculation of a separate rate in each annual PBR rates application and prior period true-up adjustments;
 - b) whether the rate should be a fixed rate per customer per day or billing period, or a variable rate based on consumption, and by rate class;
 - c) ongoing tracking of the amounts collected from customers compared to actual payments to the UCA to derive the true-up amount to include in the next annual rates application; and
 - d) costs associated with implementing this new rate, as described below, would need to be approved as a Y factor for recovery.
2. As a reference point, using the most recent Ministerial Order¹ received in August 2024 for UCA assessment fees and Apex's 2025 billing determinants submitted in Proceeding 29301,² Apex estimates an approximate fixed charge of \$0.081 per monthly bill or a variable charge at \$0.004 per gigajoule (GJ).³ If a variable rate is adopted, residential customers on average use about two GJs per month in the summer months and 18 GJs per month in the winter months. This would mean showing a line on the customer bill for a charge of \$0.01 in the summer and \$0.07 in the winter, when rounded to the nearest cent.
 3. A new bill line item requirement would have upfront and ongoing administrative burden and direct costs incurred by Apex. Apex would need to incur costs to configure its customer information system used for billing to calculate the charge on customers' bills, as well as making changes to its default supply provider bill print issued to those customers. Apex would need to engage its vendor to make these changes to its systems, and to test the changes applied to ensure the integrity of the changes, following appropriate best practices for system changes implementation. The timeline for implementation of the change is approximately three months for Apex with costs varying dependent on the scope of the change requirement.
 4. Stakeholder engagement with retailers will be required in order to consider impacts to tariff billing files. These files include detailed distribution bill information sent to retailers which will need to be modified to include new component codes to separately identify this new line item.

¹ Ministerial Order 095/2024 (August 20, 2024), Apex's share of the costs is \$83,403.68.

² Exhibit 29301-X0002, Apex 2025 Rates Filing Schedules, Schedule 2.3.

³ \$83,403.68 divided by 1,025,247 billings or 18,722,241 GJs forecasted for 2025.

It is expected that all retailers would also need to include this new line item on their bills for consistency for all customers regardless of where they purchase their gas. Additional time may be required for retailers to update their systems and to facilitate industry testing of the new requirement.

5. A new line item on customer bills would likely add to customer confusion. Customers currently find utility bills challenging to understand given the numerous line items already present on their bill. Specifically for Apex, a new line item on the bill may add another page due to limited space available on the current bill depending on the customer.
6. Apex would need to develop a training and communication plan to ensure that its Customer Care Centre is equipped to answer questions from customers regarding the new bill line item. The Apex Customer Care Centre will experience higher call volumes from default supply customers and retailers will likely direct their customers to Apex to address the new line item. While Apex would be able to address the nature of the new line item and the calculation of the charge, any specific questions about the UCA administration fee would need to be redirected to the UCA.

Should the Commission or staff require any further input or have additional questions, please do not hesitate to reach out.

Yours truly,

[Electronically submitted]

Linda Chan
Director, Regulatory