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November 12, 2024

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

Re: Bulletin 2024-21, written consultation established on draft rule to facilitate funding to the Utilities Consumer Advocate

1. EPCOR Distribution & Transmission Inc. (EDTI) submits these comments in response to the written consultation established by the Alberta Utilities Commission on October 8, 2024. EDTI appreciates the opportunity to provide feedback and has comments on the proposed facilitation of funding to the Utilities Consumer Advocate (“UCA”) in two primary areas: the cost recovery mechanism and implementation processes.

Cost recovery mechanism

2. In Bulletin 2024-21, the Commission noted “[t]he impacts of the change in funding to the UCA are expected to be administrative in nature and should not increase financial burden on customers”. Consistent with this approach, EDTI submits that recovery of the UCA administration fee should be efficient, absent regulatory burden and easy for customers to understand. As such, EDTI submits that recovery of the fee is suitable for Y factor treatment. The fee is recovered from customers directly, are costs over which the utility has no control and are related to a specific, identifiable expense.

3. Y Factor treatment will allow for the cost of the UCA administration fee to be built into distribution rates and calculated on a dollar per site per day basis (i.e. the assessed amount would be divided by the site count used by the AUC to do the assessment). The amount would then be identified on the bill as the UCA assessment.

4. If Y factor treatment is approved, it will not be necessary to develop a separate UCA rate which would require each Distribution Facility Owner to design a separate rate specifically for the UCA fee. This rate would have to be billed to customers each month, presumably as a fixed rate (\$/day); would require deferral account treatment or a similar treatment to ensure that the amount billed to customers equaled the assessed amount; and would result in increased regulatory burden.

5. EDTI also notes that Y factor treatment for the UCA administration fee will also result in the most cost-effective recovery. This approach would require the addition of only a single line to the customer bill. Although this change would still require IT development work, it would be approximately half the IT work required to implement a separate rate specifically for the UCA fee.

Implementation Processes

6. EDTI submits that additional clarity related to process is required in relation to the following items:

- i. EDTI presumes, but seeks confirmation, that the proposed UCA administration fee applies and should only be debited to the rate classes associated with the “active sites” (commercial, farm, and residential metered sites as reported in the MSA-Retail-Statistics file) as defined in section 1(a) of the proposed rule. EDTI notes that the proposed recovery method will reduce the number of customers that the UCA administration fee is recovered from compared to the current practice of recovery, i.e. recovery of the UCA fee via the Balancing Pool consumer allocation. In the case of EDTI, the UCA administration fee will not be recovered from the rate classes classified as “Industrial” in the MSA-Retail Statistics file and from unmetered sites. EDTI notes that some of its customers classified as “Industrial” in the MSA-Retail Statistics file, such as condominium complexes with a single point of metering, are residential in nature;
- ii. EDTI seeks direction regarding the treatment of any variance between the actual UCA administration fee collected by EDTI and the amount of the UCA administration fee allocated to EDTI (section 3(1)(c));
- iii. EDTI’s preference is that the description on the bill for the UCA administration fee be determined by the Distribution Facility Owner. It is not clear whether there is a requirement to include uniform, specific language to reflect the fee.

- iv. There will be IT costs associated with the changes required to implement the new fee. It is not clear if there will be an additional process and eligibility by which Distribution Facility Owners can recover these costs.
- v. EDTI presumes, but seeks confirmation, that the UCA administration fee identified in the Commission order referred to in section 2 of the proposed rule is to be split evenly across 12 months for all active customers.

7. EDTI does not have any specific comments in relation to the content of the proposed rule, as drafted.

Sincerely,

[Electronically Submitted]

Teresa Crotty-Wong
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EPCOR Distribution & Transmission Inc.