

(Consolidated up to 254/2007)

**ALBERTA REGULATION 184/2003**

**Gas Utilities Act**

**DEFAULT GAS SUPPLY REGULATION**

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**Interpretation**

**1(1)** In this Regulation,

- (a) “Act” means the *Gas Utilities Act*;
- (b) “franchise fee” has the same meaning as it has in the *Natural Gas Billing Regulation*.

**(2)** Terms used in this Regulation that are defined in the Act have the same meaning as they have in the Act.

**Authorization of default supply provider**

**2** Subject to section 28.1(2) of the Act, a gas distributor may, with the approval of the Commission, authorize a person to act as default supply provider in the gas distributor’s service area in accordance with this Regulation.

AR 184/2003 s2;254/2007

**Default rate tariffs**

**3(1)** A default supply provider must prepare a default rate tariff for the purpose of recovering the prudent costs and expenses of providing gas services to customers.

- (2) The default supply provider must apply to the Commission for approval of its default rate tariff.
- (3) The default supply provider may recover in its default rate tariff its prudent billing costs of
- (a) gas distribution tariff billing for the default rate tariff, and
  - (b) billing to customers for the default rate tariff, including taxes and municipal charges.
- (4) An application for approval of a default rate tariff must
- (a) include the terms and conditions under which the default supply provider proposes to offer gas services, and
  - (b) state how the following information will each be shown separately in the tariff and on customer's bills:
    - (i) the gas charge, shown as a dollar amount per gigajoule;
    - (ii) the administrative charge, which may include a billing charge, shown as a dollar amount for each period specified in the tariff;
    - (iii) the delivery charge for gas distribution service, shown as a fixed delivery charge and a variable delivery charge;
    - (iv) rate riders, if applicable;
    - (v) franchise fees, if applicable;
    - (vi) any other fees or amounts prescribed by the Commission.
- (5) The gas charge under subsection (4)(b)(i) must be calculated on a monthly flow through basis, as determined by the Commission.

AR 184/2003 s3;254/2007

**Conditions on flow-through rate**

- 4** A default supply provider must not, either in the default rate tariff or by other means,
- (a) collect fees related to the entry to, or exit from, the default rate tariff, or
  - (b) require notice periods greater than 30 days for entry to, or exit from, the default rate tariff.

**Commission consideration**

**5** When considering an application for approval of a default rate tariff, the Commission must

- (a) have regard for the principle that a default rate tariff must provide the default supply provider with a reasonable opportunity to recover the prudent costs and expenses incurred by the default supply provider and a reasonable return on costs deemed eligible by the Commission, excluding the cost of gas that is provided and delivered, and
- (b) examine the reasonableness of the default supply provider's billing costs, and other costs the Commission considers appropriate in the prevailing circumstances, without regard to any overall increase in costs due to the separation of gas distribution service and the provision of gas services.

AR 184/2003 s5;254/2007

**Options for customers**

**6** Each default supply provider must make available to customers in the gas distributor's service area the option of purchasing gas services in accordance with the terms and conditions of the default supply provider's default rate tariff instead of purchasing gas services from a retailer.

**Deemed election by customer**

**7(1)** If a customer who is in a gas distributor's service area is not enrolled with a retailer, the customer is deemed to have elected to purchase gas services under the default supply provider's default rate tariff.

**(2)** For the purposes of this Regulation, a gas distributor's sales rates are deemed to be its default rate tariff until a default rate tariff under section 3 is in effect.

**Delegation by default service provider**

**8(1)** Subject to section 28.1(2) of the Act, a default supply provider may authorize other persons to perform any or all of the functions of the default supply provider under this Regulation.

**(2)** A reference in this Regulation to a default supply provider is also to be read as a reference to the person acting on the default supply provider's behalf under subsection (1).

**Information on bills to customers**

**9** A default supply provider must show on every bill sent to a customer at least the following information, showing separately:

- (a) the gas charge;
- (b) the customer's consumption of natural gas on which the charge in clause (a) is based;
- (c) the administrative charge, which may include a billing charge, shown as a dollar amount for each period specified in the bill;
- (d) the delivery charge for gas distribution service, shown as a fixed delivery charge and a variable delivery charge;
- (e) rate riders, if applicable;
- (f) franchise fees, if applicable;
- (g) any other fees or amounts prescribed by the Commission;
- (h) the gas distributor's emergency contact phone number.

AR 184/2003 s9;254/2007

**Expiry**

**10** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on April 30, 2013.

**Coming into force**

**11** This Regulation comes into force on the coming into force of Part 2.1 of the *Gas Utilities Act*.