

(Consolidated up to 254/2007)

ALBERTA REGULATION 185/2003

Gas Utilities Act

NATURAL GAS BILLING REGULATION

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Interpretation

1(1) In this Regulation,

- (a) “Act” means the *Gas Utilities Act*;
- (b) “bill” or “billing” means an account for charges arising from the provision of gas services and gas distribution services to a customer, including applicable taxes, franchise fees, and other charges;
- (c) “business day” means any day other than Saturday or a holiday as defined in the *Interpretation Act*;
- (d) “credit rating” means a bond rating according to Standard and Poor’s bond rating service or an equivalent bond rating from Dominion Bond Rating Service or Moody’s Investors Service;
- (e) “franchise fee” means the payment payable by a gas distributor to a municipality pursuant to an agreement entered into between that gas distributor and the municipality pursuant to section 45 of the *Municipal Government Act*.

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

Arrangements re billing

2(1) Except as is otherwise provided in this section, only a retailer or a default supply provider may bill a customer.

(2) A retailer or default supply provider may, with the gas distributor's consent, authorize a gas distributor to bill customers under the gas distributor's gas distribution tariff.

(3) The authorization shall not restrict the manner in which the gas distributor charges customers under its gas distribution tariff.

(4) A gas distributor is authorized to bill customers on behalf of a retailer or default supply provider if

- (a) the retailer or default supply provider requests the gas distributor to do so, and
- (b) the billing is carried out in accordance with an agreement between the gas distributor and the retailer or default supply provider.

(5) The Commission shall determine a reasonable date or dates for compliance with this section, subject to completion of a settlement system code and allowing for time to implement changes to billing systems.

AR 185/2003 s2;254/2007

Billing by gas distributor

3(1) If a gas distributor

- (a) establishes a new service line or connection for gas distribution service, or
- (b) provides a customer, at the customer's request, with gas distribution service

and not all of the costs of the service are recoverable from the customer's retailer under the gas distributor's gas distribution tariff, the gas distributor may charge a customer or any of the other persons referred to in subsection (2) directly for the difference between

- (c) the costs of establishing the service line or connection or of providing gas distribution service, and

- (d) the amount of those costs that is recoverable by the gas distributor from the customer's retailer under the gas distributor's gas distribution tariff.

(2) The gas distributor may send a bill for the difference referred to in subsection (1) directly to any of the following:

- (a) a customer purchasing gas distribution service through a new service line or connection or a retailer or other person purchasing gas distribution service on behalf of the customer;
- (b) a developer of land on which a new service line or connection is established;
- (c) a retailer providing gas services through a new service line or connection;
- (d) a person requesting gas distribution service in the circumstances described in subsection (1).

Contents of bill

4 A bill prepared by or on behalf of a retailer for a customer must

- (a) indicate separately the following credits or charges:
 - (i) the amount charged by the retailer for gas, in dollars;
 - (ii) the amount charged by the retailer for administration of the customer's account;
 - (iii) the amount paid to the gas distributor under the gas distributor's gas distribution tariff for the account of the customer, in dollars;
 - (iv) the franchise fee paid or payable by the retailer to the gas distributor for the account of the customer;
- (b) specify the customer's consumption of gas on which the charge in clause (a)(i) is based;
- (c) specify the periods for which each of the amounts referred to in clause (a) is calculated;
- (d) indicate the name and telephone number of the gas distributor, or a person authorized by the gas distributor to act on its behalf, to answer customer inquiries about gas distribution service;
- (e) include the customer's site identification number or numbers, if applicable;

- (f) indicate the gas distributor's emergency contact phone number.

Security requirement

- 5(1)** A gas distributor must require a retailer to provide a security deposit before the gas distributor provides service to the retailer under the gas distributor's gas distribution tariff.
- (2)** The security deposit must be in an amount equal to the value, as projected by the retailer, of the retailer's payments under the gas distributor's gas distribution tariff over a period equal to the lesser of
- (a) 75 days, or
 - (b) the total of
 - (i) 20 days, plus
 - (ii) the number of days between consecutive bills issued by the gas distributor to the retailer, plus
 - (iii) the number of days from the issuance of a bill by a gas distributor until payment is due from the retailer.
- (3)** Subject to section 6, the security must be provided in the form of a financial deposit, a bond, an irrevocable letter of credit or an irrevocable guarantee from a person, other than the retailer, with a credit rating.
- (4)** If one or more persons provide an irrevocable guarantee under subsection (3),
- (a) the amount of each guarantee must not exceed the amount by which the retailer would have its security deposit reduced under section 6(3) if the retailer had the same credit rating as the person providing the guarantee, and
 - (b) the total of the guarantees must not exceed the maximum amount of the largest single guarantee that is allowed under clause (a).
- (5)** A gas distributor must confirm the amount of security required to be provided by a retailer within 20 business days of receipt of the retailer's complete application for service under the gas distributor's gas distribution tariff.
- (6)** If a retailer's actual outstanding charges under the gas distributor's gas distribution tariff are materially greater than the value projected by the retailer under subsection (2), the gas

distributor must update the projection under subsection (2) and, if additional security is required based on the updated projection, require the retailer to provide the additional security.

(7) A retailer that is required under subsection (6) to provide additional security must provide the additional security to the gas distributor within 5 business days of the gas distributor's requiring the additional security.

(8) A gas distributor must use reasonable diligence to advise a retailer if additional security is required in accordance with subsection (6).

(9) All costs incurred by a retailer in providing the security required under this Regulation are the responsibility of the retailer.

Adjustment for credit rating

(1) A retailer may provide its current credit rating to the gas distributor.

(2) If a retailer has obtained more than one credit rating, the retailer must provide the lowest credit rating to the gas distributor under subsection (1).

(3) A retailer that provides its credit rating must have the security deposit required under section 5 reduced as follows:

- (a) by \$25 000 000 if the credit rating is AAA- or higher;
- (b) by \$20 000 000 if the credit rating is between AA- and AA+ inclusive;
- (c) by \$15 000 000 if the credit rating is between A- and A+ inclusive;
- (d) by \$10 000 000 if the credit rating is between BBB- and BBB+ inclusive.

(4) Notwithstanding subsection (3), the security deposit must not be less than \$0.

(5) A retailer must advise the gas distributor of any downgrading of its credit rating within 2 business days of the downgrading and must provide any additional security required as a result of the downgrading within 5 business days of the downgrading.

(6) A retailer may advise the gas distributor of any upgrading of its credit rating.

(7) If the amount of security required from a retailer is reduced as a result of an upgraded credit rating, the gas distributor must return

any financial deposit no longer required to the retailer within 20 business days of being advised by the retailer of the upgraded credit rating.

Appeal to Commission

7(1) A retailer may appeal to the Commission the amount of security required by a gas distributor under this Regulation.

(2) In determining an appeal commenced pursuant to this section, the Commission may confirm or vary the amount of the security deposit to be provided by the retailer to the gas distributor.

(3) If the Commission varies the amount of the security deposit, the amount must be consistent with the requirements of sections 5 and 6.

AR 185/2003 s7;254/2007

Security to be maintained

8(1) A retailer that is required to provide security under section 5 must maintain that amount of security until all obligations of the retailer under the gas distribution tariff are satisfied.

(2) A gas distributor is entitled to retain the security provided by the retailer until all obligations of the retailer under the gas distribution tariff are satisfied.

Default by retailer

9(1) Subject to subsection (4), if a retailer defaults in its payments under a gas distribution tariff, the gas distributor must provide the retailer with a notice in writing

- (a) stating that the retailer is in default in its payments to the gas distributor under the tariff, and
- (b) advising that the gas distributor may make a claim against the retailer's security if the arrears are not paid within 3 business days after the date of the notice.

(2) If after the expiry of the period set out in subsection (1)(b), the retailer's arrears remain unpaid, the gas distributor may make a claim against the retailer's security to recover the arrears.

(3) If the retailer has provided security in the form of a financial deposit, the gas distributor may deduct from that deposit the amount of the unpaid arrears.

(4) If, in the opinion of the gas distributor, the giving of notice in accordance with subsection (1) would impair the gas distributor's

ability to make a claim against a retailer's security or to deduct the unpaid arrears from a retailer's financial deposit, the gas distributor may make the claim or deduct the unpaid arrears without notice.

(5) A gas distributor is entitled to recover as part of its gas distribution tariff any costs not covered by a claim against the retailer's security under this section.

Billing costs and gas distribution tariff

10 When considering a gas distributor's application for approval of its gas distribution tariff, the Commission must examine the reasonableness of the gas distributor'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 185/2003 s10;254/2007

Expiry

11 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

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