

# Notice of Inquiry

**Harmonization of the Regulated Rate Option (RRO) Regulation and Default Gas Supply (DGS) Regulation Inquiry  
(Regulated Retail Energy Inquiry)  
Application No. 1606030  
Proceeding ID. 567**

The Alberta Utilities Commission (AUC) has been directed to inquire into the harmonization of the RRO and DGS regulations, which relate to the provision of regulated gas and electric retail energy services to consumers, and to report its findings to Alberta's Minister of Energy. The AUC is required to submit a report to the Minister of Energy no later than March 25, 2011 as directed in Order in Council 93/2010 (Order in Council).

Harmonization of the *RRO Regulation* and the *DGS Regulation* will be based on the following five principles as set out in Schedule C attached to the Order in Council:

- (1) Consistency: The rules for both electricity and natural gas will be consistent, unless differences in the characteristics of the physical commodities or their markets make it unreasonable;
- (2) Accessibility: The structure and the language of the regulations will be simple and accessible without compromising the effectiveness of the rules;
- (3) Predictability: The rules will offer regulatory certainty and predictability to market participants;
- (4) FEOC: The framework will support the fair, efficient and openly competitive (FEOC) operation of the retail market for electricity and natural gas; and
- (5) Customer Choice: Customers will be able to make informed choices about products and retail service providers, and the transactions necessary for customers exercising their choice will be as efficient as possible.

## **Scope and objectives:**

In carrying out the Regulated Retail Energy Inquiry, the Commission was ordered to conduct its proceedings in public. In addition, as required in the terms of reference, the report "must not make recommendations but shall, through its analysis of the evidence on the record of the inquiry, provide findings and pros and cons on various issues as it deems appropriate."

As required in the terms of reference in Schedule C to the Order in Council, the AUC will hold an inquiry for the purpose of gathering information on the following matters:

- i. the harmonization of the *RRO Regulation* with the *DGS Regulation* in accordance with the harmonization principles outlined above;
- ii. the availability of common approaches and appropriate consumption thresholds for determining customer eligibility criteria for the regulated rate for both natural gas and

- electricity;
- iii. the availability of similar approaches for energy price setting plans (EPSPs) for both natural gas and electricity that build on sections 6(2) and 11(1) of the *RRO Regulation*;
- iv. the appropriate transparency of the EPSPs;
- v. the appropriate areas of consistency between respective EPSPs of each regulated rate option provider and default supply provider;

### **Participation:**

The Commission will be using its electronic proceeding system for purposes of storing and making information available to the public. The Regulated Retail Energy Inquiry has been assigned Application No. **1606030** and Proceeding ID No. **567**.

The following parties are the existing regulated natural gas default supply providers or electricity regulated rate providers in Alberta and accordingly are essential participants to the inquiry. The Commission directs these parties to participate in this Regulated Retail Energy Inquiry:

- AltaGas Utilities Ltd.
- Direct Energy Regulated Services
- EPCOR Energy Alberta Inc.
- ENMAX Energy Corporation

All other parties who wish to participate in the inquiry should file a statement of intent to participate by no later than **3:00 p.m.** on **April 28, 2010** and include the name of the party or organization name, address, telephone number and email address (if available). If a party is represented by another party, the contact information for that representative should be included. If a submission is being made on behalf of a group, the contact person for the group and the details of the group members should be provided. All submissions should include the application number and proceeding ID number and be made through the Commission's Digital Data Submission (DDS) system. Any parties who do not have access to the DDS system should contact David Mitchell for assistance in filing their submissions.

### **Initial step:**

As the initial step in the Regulated Retail Energy Inquiry, the Commission will provide an opportunity for parties to file submissions on the following:

- The policy objectives of the *RRO Regulation* and the *DGS Regulation*.
- The extent to which the *RRO Regulation* and the *DGS Regulation* are consistent with the five principles.
- To the extent that the *RRO Regulation* and the *DGS Regulation* currently achieve any of the five principles, are there any differences in the way that they satisfy the five principles. Views should be supported with sufficient detail and examples so that the differences are clear. Parties may also wish to comment on the advantages or disadvantages of alternative ways of satisfying the five principles.
- Views on each of the five matters that are the subject of the inquiry, as set out in the scope above. Parties should provide detailed support for their views and should explain how their views are consistent with the five principles.
- Views on any other matters they consider relevant to the Regulated Retail Energy Inquiry.

### **Submissions:**

Submissions should be supported in detail by relevant facts, market and economic analysis, should include references to other jurisdictions and may include expert opinion. The Commission should be provided with complete electronic copies of all materials referenced in the parties' submissions.

Parties are asked to file these submissions no later than **3:00 p.m. on June 9, 2010**. Parties will be permitted to reply to other parties' submissions in writing no later than **3:00 pm on June 30, 2010**. The Commission expects the cooperation of parties in order to permit it to fulfill its mandate in a timely manner.

After these submissions have been received, the Commission may request further comments or schedule further process including oral testimony as may be required for a full review.

Order in Council 93/2010 which initiated this inquiry and the Electricity and Natural Gas Retail Market Harmonization Principles Discussion Paper of 2006 are currently available for viewing through the [Proceeding Search system](#) (ID. 567) which is accessible under the [E-Filing Services & Regulatory Document Search](#) section of the home page on the Commission's website at [www.auc.ab.ca](http://www.auc.ab.ca) or by using the following URL:

[https://www.auc.ab.ca/eub/dds/EPS\\_Query/ProceedingDetail.aspx?ProceedingID=567](https://www.auc.ab.ca/eub/dds/EPS_Query/ProceedingDetail.aspx?ProceedingID=567)

### **Freedom of Information and Privacy Act**

Subject to the *Freedom of Information and Protection of Privacy Act*, all documents filed in respect of this Regulated Retail Energy Inquiry must be placed on the public record. Any submissions and any other documents filed will be accessible to the public and all other participants in the Regulated Retail Energy Inquiry through the Proceeding Search system on the AUC's website. Parties are reminded to ensure that any document filed is free of information that they do not want to appear on the public record. If parties do not want their documents or part thereof placed on the public record, they must apply to the Commission for a confidentiality order **before** filing such documents.

### **Cost recovery:**

Recovery of costs for participation in the Regulated Retail Energy Inquiry will be governed by the AUC's [Rule 022](#).<sup>1</sup> Regarding section 3(3) of AUC Rule 022, the four parties who have been directed to participate in this Regulated Retail Energy Inquiry will be considered to be applicants solely for the purposes of qualifying for costs under Rule 022.

The Commission will not be requiring the submission of participation cost budgets but reminds any party who is eligible for costs that any cost claims submitted will be reviewed by the Commission in accordance with section 11 of AUC Rule 022.

### **Process:**

Upon completion of the initial filings from parties outlined above, the Commission will determine and communicate the next process steps to registered parties.

If you have any questions on the Regulated Retail Energy Inquiry, please contact David Mitchell, at 780-422-2073 or by email at [david.mitchell@auc.ab.ca](mailto:david.mitchell@auc.ab.ca).

Issued on April 14, 2010

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<sup>1</sup> AUC Rule 022 – Rules on Intervener Costs in Utility Rate Proceedings (Rule 022).

ALBERTA UTILITIES COMMISSION  
Douglas A. Larder, Q.C., General Counsel