

Bulletin 2018-07

April 9, 2018

AUC Rule 003: Service Quality and Reliability Performance Monitoring and Reporting for Regulated Rate Providers and Default Supply Providers

The Alberta Utilities Commission enacted AUC Rule 003: *Service Quality and Reliability Performance Monitoring and Reporting for Regulated Rate Providers and Default Supply Providers* in 2008. In this rule, regulated service provider (RSP) means a regulated rate provider as defined in the *Electric Utilities Act*, or a default supply provider as defined in Part 2.1 of the *Gas Utilities Act*.

A regulated service provider must meet the service quality standards and the reporting requirements set out in Rule 003. The service quality standards and reporting requirements focus on call centre performance, billing, and customer satisfaction. In addition, under Rule 003, a regulated service provider must give a customer a service guarantee credit of \$75 when it makes the following errors: the regulated service provider has given a customer written notice of a pending disconnection of service or a pending referral to a credit agency; has referred a customer to a credit agency; or has disconnected service to a customer. These errors are significant as they could damage the customer's credit and reputation or result in the inconvenience of being disconnected. The service guarantee credit mechanism was therefore implemented to ensure that regulated service providers prevent and correct such errors, and the expectation was that the service guarantee credits would be funded by the regulated service providers' shareholders, and not by ratepayers.

Considering that the service guarantee credit amount of \$75 has not changed since the enactment of the rule and that the categories of errors to which the service guarantee credits apply have not changed since 2010, the Commission began a review of the provisions on service guarantee credits set out in Section 3.4 of Rule 003. The purpose of the review was to determine whether the credit amount given to customers should be increased and whether the type of errors to which the credit applies needed to be changed.

During the course of the review, Commission staff became aware that the regulated service providers were recovering the amounts issued as service guarantee credits from all customers by way of a regulated rate tariff application, rather than from their shareholders. Because the service guarantee credit mechanism was put in place to address significant errors of a regulated service provider, service guarantee credits cannot be recovered under a regulated rate tariff but must be paid by the regulated service provider's shareholders. The Commission wishes to amend Rule 003 accordingly and requests comments from stakeholders on the addition of subsection (3) to Section 3.4 of Rule 003, set out below in bold and underlined:

3.4 Service guarantee

- (1) The RSP must provide a credit of \$75 to any customer who is subject to one of the following errors made by the RSP:
 - (a) Customer was provided written notice of pending disconnection of service in error;
 - (b) Customer was provided written notice of pending referral to a credit agency in error;
 - (c) Customer was referred to a credit agency in error; or
 - (d) Customer experienced disconnection of service in error

...

- (3) **An RSP shall not include for recovery in a regulated rate tariff application, service guarantee credits of \$75 paid to customers under this section.**

Submissions are due by email to regulatorypolicy@auc.ab.ca by 4 p.m. on Monday, April 23, 2018.

Any questions related to this consultation should be directed to Andrea Laroiya at 403-592-4411.

(original signed by)

Robert D. Heggie
Chief Executive