

Bulletin 2021-14

July 12, 2021

Rate rider phase of the Utility Payment Deferral Program

On March 18, 2020, the government of Alberta announced that “Albertans who are experiencing financial hardship directly related to the COVID-19 pandemic can work with their utility company to defer electricity and natural gas bills until June 18, 2020 without any late fees or added interest payments.” This initiative became known as the Utility Payment Deferral Program (UPDP).

On May 12, 2020, the *Utility Payment Deferral Program Act (UPDP Act)* was enacted to enable electricity service providers, gas service providers and gas distributors to fulfill their obligations pursuant to the UPDP.

In the first phase of the program, customers had the opportunity to defer payment of their utility bills from March 18, 2020 to June 18, 2020. In the second phase of the program, customers who deferred payments had until June 18, 2021 to repay their deferred amounts.

In this third phase of the program, any utility bill payment amounts that were deferred and not repaid will be collected through an electricity rate rider and a natural gas rate rider from all Alberta customers. The collection of these amounts must be completed by June 18, 2022.

Sections 11 and 21 of the *UPDP Act*, require the Commission to initiate a proceeding as soon as practical on or after June 19, 2021, to establish:

- An electricity rate rider to recover the funding that has not been repaid to the Balancing Pool and the Alberta Electric System Operator by electricity service providers and to recover unpaid deferral amounts owing to self-funded electricity service providers.
- A gas rate rider to recover the funding that has not been repaid to the government of Alberta and the deferred gas transmission charges owing to the gas distributors and to recover unpaid deferral amounts owing to self-funded gas service providers.

Over the past several months, staff from the AUC Market Oversight and Enforcement Division have been in discussions with the entities that will be involved in the proceeding to set out the filing requirements for the rate rider applications, the timing of the applications and future reporting requirements.

The Commission anticipates receipt of applications from the following applicants as part of this rate rider phase of the UPDP:

- The Alberta Electric System Operator and the Balancing Pool.

- Service providers who received Commission approval to establish deferral accounts pursuant to section 7 or 17 of the *UPDP Act* for the recovery of their costs for the administration of payments under the *UPDP Act* and applicable carrying costs.
- Service providers who self-funded as defined under subsections 1(b) and 1(c) of the *Utility Payment Deferral Program Regulation*. A [self-funder rate rider application template](#) can be found on the [COVID-19 impacts page](#) on the AUC website under Rate rider applications.
- Gas distributors to establish the utility deferral adjustment-natural gas rate rider.
- Electric distribution utilities to establish the utility deferral adjustment-electricity rate rider.

The Commission has established the following process directions to expedite the rate rider proceedings:

- Applications from all eligible applicants are due on Friday, July 16, 2021.
- Eligible applicants are to submit their applications separately through eFiling using either the gas or electric application type: Utility payment deferral rate rider.
- Active participation in the proceeding will be restricted to eligible applicants.
- Any other person interested in this proceeding will be able to register in the proceeding as an observer but will not have active participant status.

Following the receipt of all applications, the Commission will consolidate them into a separate gas and electricity proceeding for the purpose of issuing two rate rider decisions, one for each of the electricity and gas rate riders.

Should you have any questions, please contact Andrea Laroiya by email at andrea.laroiya@auc.ab.ca or by telephone at 403-592-4411.

Alberta Utilities Commission