

Rule 023

Rules Respecting Payment of Interest

This rule was approved by the Alberta Utilities Commission on January 2, 2008.

Contents

1	Application.....	2
2	Definitions.....	2
3	Application for payment of interest	2

1 Application

These rules apply to utilities that are subject to the Commission's jurisdiction.

2 Definitions

In these rules:

- (a) "Commission" means the Alberta Utilities Commission.

3 Application for payment of interest

- (1) A utility may request that the Commission approve the payment of interest on adjustments of utility company rates, tolls or charges or other costs or charges administered within the Commission's jurisdiction.
- (2) The Commission shall, when considering a request received under Section 3(1) of these rules, consider the following:
 - (a) an adjustment from interim to final approved rates will normally be excluded from the awarding of interest since the interim rate is designed to reduce significant amounts that would otherwise be outstanding, except in situations where the adjustment resulted from significant errors or excesses on the part of the utility concerned or from circumstances that could not otherwise be contemplated when the rates in question were set;
 - (b) the regulatory lag before implementation of the rate adjustment must exceed a period of 12 months;
 - (c) for general utility rates, the minimum amount of the forecast aggregate change in revenue shall ordinarily be the greater of $\pm \$1,000,000$ or \pm three per cent of the revenue from the rates being revised which may be tailored where unusual circumstances or conditions preclude its use or where acceptable procedures already exist;
 - (d) interest will be calculated from the date on which the rate adjustment becomes effective;
 - (e) interest will be calculated using a rate equal to the Bank of Canada's Bank Rate plus $1\frac{1}{2}$ per cent, subject to any previously approved Commission procedure for awarding interest.
- (3) Prior approval of the Commission of an estimate of the rate of interest and the aggregate amount of the interest payment is required.