

Rule 023

Rules Respecting Payment of Interest



This rule as amended was approved by the Alberta Utilities Commission on Month DD, 20XX, and is effective on Month DD, 20XX.

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1 Application

These rules apply to outstanding balances and adjustments of rates, tolls or charges and any other costs that are subject to the Commission's jurisdiction.

2 Definitions

In these rules:

- (a) "Bank of Canada policy rate" means the rate established by the Bank of Canada at which major financial institutions borrow and lend one-day or overnight funds among themselves.
- (b) "Commission" means the Alberta Utilities Commission.

3 Payment of interest

- (1) The Commission may approve the payment of interest on outstanding adjustments or balances of rates, tariffs, tolls or charges or other costs on its own initiative or in response to a request.
- (2) A balance must be outstanding for a period of not less than six months before the Commission will consider a request for the payment of interest.
- (3) Interest will be calculated from the date the balance is outstanding using simple interest at the Bank of Canada policy rate plus 1.75 per cent, subject to the Commission's discretion to decline to award interest or to award interest at a different rate.
- (4) Any request for the payment of interest on an outstanding balance must provide the interest calculations to the Commission for review.

4 Commission approval of the payment of interest

- (1) In determining whether interest should be paid and the amount of any interest payable, the Commission will take into consideration the materiality of the amount of the outstanding balance, any action or inaction on the part of the person(s) requesting interest, the timing of the request, regulatory lag, the applied-for interest rate, and the time period that interest may be awarded.
- (2) In determining whether interest should be paid and the amount of any interest payable, the Commission may take into account any other factors the Commission deems relevant, and the Commission may exercise its discretion accordingly.