



AltaGas Utilities Inc.

Rule 004 Exemption Compliance Filing

February 17, 2016

Alberta Utilities Commission

Decision 21211-D01-2016

AltaGas Utilities Inc.

Rule 004 Exemption Compliance Filing

Proceeding 21211

Application 21211-A01

February 17, 2016

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1 Introduction

1. On December 23, 2015, AltaGas Utilities Inc. filed an application with the Alberta Utilities Commission requesting approval of its updated Rule 004: *Alberta Tariff Billing Code Rules* compliance plan, pursuant to the directions set out by the Commission in Decision 20428-D01-2015.¹

2. On December 24, 2015, the Commission issued a notice of application. Any party who wished to intervene in this proceeding was required to submit a statement of intent to participate (SIP) to the Commission by January 7, 2016. No SIPs were received. Accordingly, the Commission considers the record of this proceeding to have closed on January 7, 2016. The Commission determined this proceeding would be considered by way of a *notice-only* proceeding.

3. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

2 Background

4. Rule 004 defines the business processes and mechanics for the production and transmission of timely and accurate tariff bill-ready information to retailers by electricity and natural gas distributors for distribution and system access service in Alberta.²

¹ Decision 20428-D01-2015: Rule 004 Alberta Tariff Billing Code Exemption, Proceeding 20428, December 4, 2015.

² Rule 004, page 1.

5. In Proceeding 20428, AltaGas applied for exemptions to the following sections of Rule 004:

Table 1. AltaGas Rule 004 exemptions³

Section of Rule 004	Description
Section 3.2, Table 3-1, Ref ID 14	Table 3-1 Tariff billing events—when a change in tariff pricing occurs within the scheduled billing period, split the billing period to show the charge for the period before the change using the old rate and the charge for the period after the change using the new rate.
Section 3.2, Table 3-1, Ref ID 15	Table 3-1 Tariff billing events—when a change in the regulated rate tariff (RRT) energy rate occurs within the scheduled billing period, split the billing period to show the usage for the period before the change using the old rate and the usage for the period after the change using the new rate.
Sections 4.3.1(4) and 5.4.1(1)	Present one-time charges independently from other tariff charges. Present cancelled and rebilled one-time charges independently from cancelled and rebilled other tariff-based charges.
Section 5.4.1(2)	Cancelled bill records and the associated rebilled records must be in the same tariff bill file (TBF).

6. In Decision 20428-D01-2015, the Commission approved AltaGas' request for an exemption from the above sections of Rule 004 from December 4, 2015 to December 31, 2018.⁴ In approving the exemptions, the Commission established additional annual reporting requirements for AltaGas to submit along with its Rule 002: *Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors* annual report. Specifically, AltaGas was directed to monitor and report on the following:

- (i) whether the compliance timeline discussed in [the] proceeding is still correct and, if not, what measures AltaGas has undertaken to address any slippage in the schedule;
- (ii) the number of non-compliance instances experienced, for each of the approved exemptions, presented on a quarterly basis;
- (iii) any concerns raised by retailers regarding the impacts to them or any possible customer dissatisfaction arising from the exemptions and any mitigation measures taken.⁵

7. Section 6.1.1 of Rule 004 sets out the Commission's requirements for a compliance plan. In Proceeding 20428, AltaGas requested approval of its compliance plan. At paragraph 64 of Decision 20428-D01-2015, the Commission determined that changes to AltaGas' compliance

³ Decision 20428-D01-2015, Table 1.

⁴ Decision 20428-D01-2015, paragraph 56.

⁵ Decision 20428-D01-2015, paragraph 65.

plan were required and directed AltaGas to make the changes and submit an updated compliance plan for approval no later than 30 days following the issuance of Decision 20428-D01-2015.⁶

3 AltaGas' compliance plan

8. In Decision 20428-D01-2015, the Commission issued the following directions to AltaGas with respect to its Rule 004 compliance plan:

- (a) Section 6.1.1(1)(b) of Rule 004 requires that “the party” confirms that it is aware of and understands its rule obligations. Section 2 of the compliance plan must be amended to state that AltaGas is aware of and understands its obligations pursuant to Rule 004. The Commission does not object to the further reference to AltaGas’ billing and information technology staff.
- (b) Section 3 of the compliance plan should refer specifically to AltaGas’ intent to comply with the obligations set out in Section 2 of Rule 004, and the process and transactional requirements, as set out in sections 3, 4 and 5 of Rule 004.

For each of the exemptions set out in Section 3 of its compliance plan, AltaGas should remove the reference to addressing the issue as part of a billing system replacement. Rule 004, Section 6.1.1(1)(d)(ii) refers to the timing by which the party will be prepared to certify that it has met the rule requirements but does not reference the means by which compliance will be achieved. In its compliance plan, AltaGas should address the timing by which it will be prepared to certify that it has met rule requirements by issuing a self-certification statement, as set out in Section 7. The Commission directs AltaGas to provide a specific date by which it anticipates being able to certify meeting all Rule 004 requirements. Based on the evidence provided in this proceeding, the Commission expects a date no later than June 30, 2019.

As stated above, the Commission has concerns with the number of temporary exemptions that have been applied for and granted, and the period over which AltaGas has not been in compliance with Rule 004. Accordingly, notwithstanding AltaGas’ commitment to comply with Rule 004 by no later than mid-2019, the Commission considers that AltaGas should strive to achieve compliance by no later than December 31, 2018, the date to which exemptions have been approved. Achieving compliance by December 31, 2018, would, amongst other things, avoid the regulatory burden of applying for exemptions beyond those provided in this decision.

- (c) Section 4, titled “Process” does not correspond to a requirement of Rule 004 and should be deleted.⁷

9. On December 23, 2015, AltaGas filed its updated compliance plan as directed.

Commission findings

10. The Commission has reviewed AltaGas’ updated compliance plan and finds that AltaGas has complied with the directions issued in Decision 20428-D01-2015.

⁶ Decision 20428-D01-2015, paragraph 64.

⁷ Decision 20428-D01-2015, paragraph 63.

11. During the course of its review, the Commission noted that AltaGas had made two other changes to its compliance plan. The first was a clarification as identified in Proceeding 20428⁸ and the second was an editorial revision that did not change the meaning of that section of the compliance plan. For clarity, the Commission has removed the date that was incorporated in the compliance plan title. The compliance plan is now titled “AltaGas Utilities Inc., Tariff Billing Code Compliance Plan.” The Commission has added the approval date on the first page of the compliance plan.

12. The Commission approves AltaGas’ compliance plan with the amendments described in paragraph 11, as appended to this decision. The compliance plan titled “AltaGas Utilities Inc., Tariff Billing Code Compliance Plan” will be in effect until December 31, 2018, unless otherwise directed by the Commission.⁹ The December 31, 2018 expiration date corresponds to the expiry of the exemptions to Rule 004 granted by the Commission in Decision 20428-D01-2015.

13. In accordance with Section 6.1.4 of Rule 004, the Commission will make available to the public the “AltaGas Utilities Inc., Tariff Billing Code Compliance Plan.” The Commission will post the plan on its website and, should requests be made for access to the plan in some other manner, the Commission will address them on an individual basis.

14. In accordance with Section 6.1.5 of Rule 004, the Commission will make available on its website the four exemptions approved for AltaGas.

4 Order

15. It is hereby ordered that:

- (1) AltaGas’ Rule 004 compliance plan, as appended to this decision, is approved for the period from February 17, 2016 to December 31, 2018.

Dated on February 17, 2016.

Alberta Utilities Commission

(original signed by)

Kay Holgate
Commission Member

⁸ Decision 20428-D01-2015, paragraph 62.

⁹ Decision 20428-D01-2015, paragraph 59.

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
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AltaGas Utilities Inc. (AltaGas or AUI)

Alberta Utilities Commission

Commission panel

K. Holgate, Commission Member

Commission staff

E. von Engelbrechten (Commission counsel)

J. Work

P. Howard

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Appendix 2 – AltaGas Utilities Inc., Tariff Billing Code Compliance Plan



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AltaGas Utilities Inc. Tariff Billing Code Compliance Plan (Approved February 17, 2016)

1. Role of AltaGas Utilities Inc.

- AltaGas Utilities Inc. (AUI) is a public utility distributing natural gas to approximately 77,000 residential, rural and commercial customers in over 90 communities across Alberta.
- AUI is also the Default Supply Provider for customers who do not purchase their natural gas from a competitive retailer.
- Subject to the exemptions noted by this Compliance Plan, AUI's billing practices follow Alberta Utilities Commission (AUC) Rule 004 as it pertains to competitive retailers. However, AUI does not follow AUC Rule 004 for Default Supply Provider billing. That is, AUI does not generate and transact tariff bill files with itself for purposes of Default Supply Provider billing.

2. Knowledge, Understanding and Awareness of the Code

- AUI is aware of, and understands its obligation to comply with AUC Rule 004.
- AUI's Billing and Information Technology staff understand the responsibilities required to comply with Rule 004 and strive to remain current on Rule 004 developments.

3. Intent to Comply with the Code

- AUI intends to comply with both the obligations set out in Section 2 of Rule 004, and with the process and transactional requirements as set out in Sections 3, 4, and 5 of Rule 004 with the following four exceptions:
 - **Section 3.2, Table 3-1, Line 14 - Requirement to split charges for distribution price change (non-energy based)**

When a Franchise Fee (Rider A) or a Property Tax (Rider B) rate change occurs within a current billing period, AUI's current billing system is not capable of applying the applicable Rider A or Rider B rate to the charge periods before and after the rate change. Specifically, in AUI's billing system, the rates in effect at the end of the current billing period apply to all charge periods within the current billing period, regardless of whether a rate change occurred during the billing period.

- **Section 3-2, Table 3-1, Line 15 - *Split usage for RRT energy rate price changes***

Line 15 in Table 3-1 of Rule 004 indicates usage must be split when a RRT energy rate price change occurs. However, AUI's current billing system cannot perform this function. For idle sites, a measured usage record (DU) will not be split when there is zero usage and for de-energized sites a DU record and a tariff charge record (CH) will not be presented, as there is zero usage. AUI is requesting an exemption for the split of the DU record when a site is idle or de-energized and there is no usage during the tariff bill period.

- **Section 4.3.1(4) & Section 5.4.1(1) - *Separation of cancel / rebill tariff charges and cancel / rebill one time charges***

AUI's billing system does not allow for the requisite tariff bill file (TBF) cancel / rebill production and separation of tariff versus one-time charges. All charges, both tariff and one-time charges, appear on the same TBF for a specified site and period. If a tariff or one-time charge must be subsequently cancelled and rebilled, then both tariff and one-time charges are cancelled, rebilled and presented in the same TBF.

- **Section 5.4.1(2) - *Inclusion of all cancel/rebill tariff charges in a single TBF***

The majority of cancel and rebills involve a single billing period and these can be performed in the same TBF. However, when multiple (two or more) billing periods are affected, AUI must send the cancel and rebills, by billing period, in separate TBFs. Processing depends on the number of billing periods requiring correction and follows a sequential order requiring retailer approvals for cancels prior to processing any subsequent cancel transactions.

4. Filing of Self-Certification Statement

AUI intends to issue a self-certification, as set out in Section 7 of AUC Rule 004, upon the complete transition of rule-compliant processes and systems including the exceptions as described in item 3 above, by no later than June 30, 2019.

5. Accountability for Compliance Plan

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