



August 29, 2024

Disposition 29264-D01-2024

Direct Energy Marketing Limited
2500, 530 8 Ave. S.W.
Calgary, Alta. T2P 3S8

Attention: Nicole Black
Director, Government and Regulatory Affairs

**Direct Energy Regulated Services
September 2024 Regulated Rates
Proceeding 29264**

Acknowledgment of September 2024 regulated rates

1. Customers in Alberta can choose to purchase their electricity from a variety of competitive retailers. The retail rates charged by competitive retailers are not regulated by the Alberta Utilities Commission. For information on competitive retailers, customers can refer to the website of the Office of the Utilities Consumer Advocate at <https://ucahelps.alb.ca>

6. The *Regulated Rate Option Stability Regulation* sets out how RRO providers are to calculate monthly instalments to recover the deferral amounts accrued between January and March 2023. RRO providers must take the total remaining deferral amount for each rate class and divide it by the number of calendar months remaining in the 21-month recovery period between April 2023 and December 2024. Subject to Commission approval, the RRO provider will increase the electric energy charge for each of the 21 months by the amount that will be sufficient to recover the instalment calculated for that month.

7. For September 2024, Direct Energy calculated its RRO rates, including the decrease to its electric energy charge, as follows.

RRO rates

Rate class	Energy charges as calculated under EPSP (cents/kWh)	Instalment to be recovered (\$)	Increase to electric energy charge (cents/kWh)	Energy charge as billed (cents/kWh)
Residential	7.820	757,700.21	3.541	11.361
Commercial	7.765	342,010.50	3.330	11.095
Industrial	7.622	28,112.98	2.215	9.837
Farming (Includes REA)	7.777	410,582.37	5.546	13.323
Irrigation (Includes REA)	7.521	0.00	0.000	7.521
Oil & Gas	7.608	14,479.40	2.356	9.964
Lighting	6.409	2,156.62	2.318	8.727

8. The Commission reviewed Direct Energy’s filing and acknowledges that the calculated

\$11,631,270.12. Direct Energy's forecast recovery amount to be billed for September 2024 is \$1,555,042.08.

- (c) With respect to Section 4.1(5), no interest has been accumulated on deferred amounts to date.

10. In its cover letter, Direct Energy noted that it identified a mistake in the reported final deferral volumes, in that they were understated by \$113,000 due to differences between wholesale settlement detail and calendar sales for final volumes. Direct Energy requested approval to amend the "2024 Rate Cap Workbook" for October 2024 through December 2024 to account for the error. The Commission will address this request in a separate decision following this acknowledgment. To assist the Commission's determination on this issue, the Commission requests that Direct Energy provide the following information by September 6, 2024:

- (a) Please provide a detailed description of wholesale settlement detail and calendar sales final volumes, including an explanation of why differences in those values resulted in the identified discrepancy.
- (b) Please comment on whether Direct Energy's proposed treatment of this error is consistent with the legislative scheme set out in the *Regulated Rate Option Regulation*, *Regulated Rate Option Stability Act* and *Regulated Rate Option Stability Regulation*.
- (c) Please justify inclusion of this amount in future recovery instalments in light of past precedent decisions of the Court of Appeal and the Commission determining that accounting or billing system errors should be absorbed by the utility's shareholders.¹

11. Direct Energy must retain records sufficient to enable the Commission to audit any previous monthly rates set by Direct Energy and any applications pursuant to the act for recovery of the deferred amounts. Any incorrect rate calculation resulting in an overcharge to customers must be refunded to customers as soon as practicable after the error is discovered.

12. If any affected person objects to the calculation of the RRO rates set out above, they should notify the Commission and Direct Energy in a timely manner, and include the nature of the objection and the reason(s) why it should be considered.

¹ See for example: Decision 26844-D01-2021, 2022: ENMAX Power Corporation, 2022 Annual Performance-Based Regulation Rate Adjustment, Proceeding 26844, December 3, 2021, Section 5.1, PDF pages 8-14, citing *Calgary (City) v Alberta (Energy and Utilities Board)*, 2010 ABCA 132.

13. The Commission may, no later than 60 days from the date of this disposition and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected disposition on its website.

(original signed by)

Chris Arnot
Director, Retail Energy and Water
On behalf of the Alberta Utilities Commission