

# Regulated Rate Option in Alberta's Rural Electrification Associations and Municipalities

February 1, 2017

**Taking action** to promote effective  
competition and a culture of compliance  
and accountability in Alberta's electricity  
and retail natural gas markets

## Table of Contents

1	Introduction .....	4
2	Overview of RRO Providers .....	4
3	Alberta Electricity Sites and Consumption.....	5
4	Rural Electrification Associations in Alberta .....	9
4.1	RRO Provider .....	10
4.2	RRO Sites.....	11
4.3	RRO Rates .....	11
5	Alberta Municipalities .....	12
6	Summary .....	15
	References .....	16
	Alberta Statutes and Regulations .....	16
	Market Surveillance Administrator (MSA) .....	16
	Other .....	16
7	Appendix.....	17
7.1	RRO Rates in the Service Zones and Other Municipalities .....	17
7.2	RRO Consumption and Load Data.....	19

## List of Figures

Figure 2.1: Residential RRO Rates in Alberta Service Areas, 2015–2016.....	4
Figure 3.1: Number of Sites and Consumption Volume by Customer Type for RRO-Eligible Sites in Alberta (September 2016) .....	7
Figure 3.2: RRO-Eligible Sites (September 2016).....	8
Figure 3.3: RRO-Eligible Volumes (September 2016).....	8
Figure 3.4: Percentage of RRO-Eligible Sites on Competitive Contracts by Customer Type (January 2015 to September 2016).....	9
Figure 4.1: RRO Rates from January 2015 to December 2016 .....	12
Figure 5.1: Difference in RRO Rates between ENMAX-Appointing Municipalities and Calgary, 2015–2016.....	13
Figure 5.2: Residential RRO Rates in Other Municipalities, 2015–2016.....	14

## List of Tables

Table 3.1: RRO-Eligible Load in the Province by Service Area in September 2016.....	6
Table 4.1: List of Regulated Rate Option (RRO) Providers for each of the Rural Electrification Associations (REAs) in 2016.....	10
Table 4.2: Aggregated Rural Electrification Association (REA) Sites, including the Number on the Regulated Rate Option (RRO).....	11
Table 7.1: RRO Rates in the Four Service Zones, 2015–2016.....	17
Table 7.2: RRO Rates in Other Municipalities, 2015–2016 .....	18
Table 7.3: Number of Sites and Monthly Consumption on RRO Rates in the Four Service Areas, October 2016 .....	19
Table 7.4: Number of Sites and Monthly Consumption on RRO Rate in Other Municipalities, October 2016 .....	19
Table 7.5: RRO-Eligible Sites and Consumption in Service Areas & Other Municipalities, September 2016 .....	19

## 1 Introduction

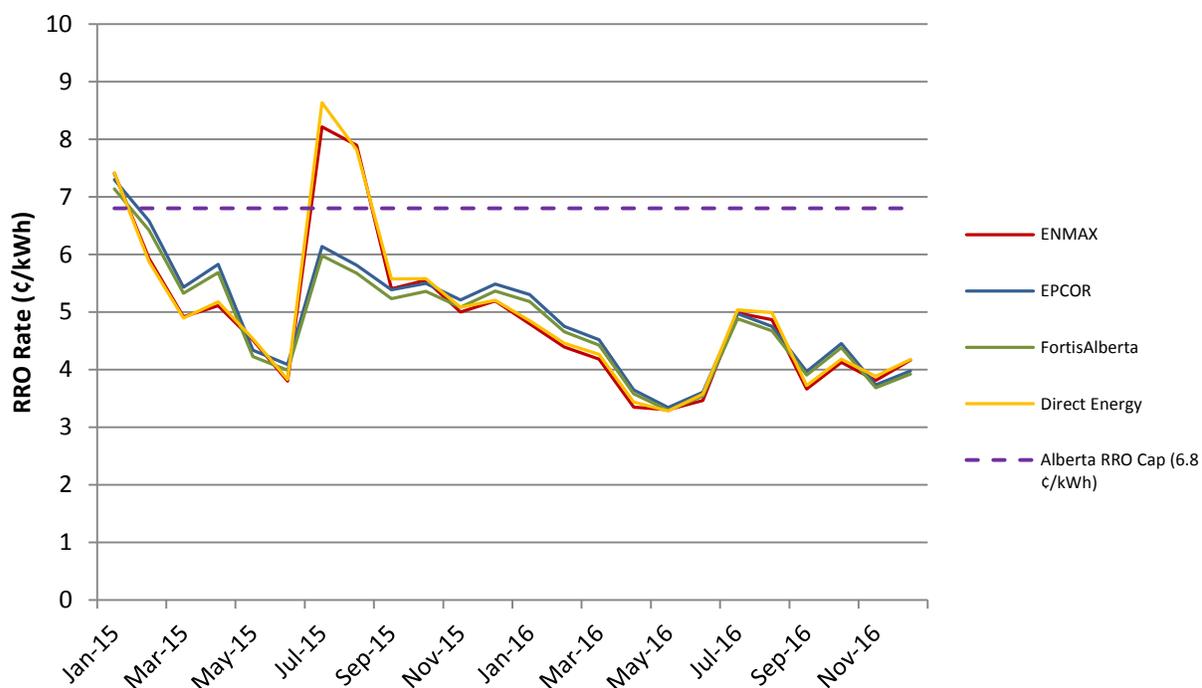
Recently, the Government of Alberta announced a retail rate ceiling of 6.8 cents per kilowatt hour (kWh) for all customers eligible for the Regulated Rate Option (RRO), which will be implemented in June 2017.<sup>1</sup> To qualify for the RRO, a consumer's annual electricity consumption must be less than 250,000 kWh. Most customers receive their RRO service from one of the three large providers: EPCOR, ENMAX and Direct Energy Regulated Services (Direct Energy), whose rates are determined through the Energy Price Setting Plan (EPSP) process outlined in the *Regulated Rate Option Regulation*. Each provider's EPSP is approved by the Alberta Utilities Commission (AUC).

Some Rural Electrification Associations (REAs) and municipalities set their RRO rates independently of the AUC. This report examines the processes used by REAs and other municipalities to set RRO rates and provides data on RRO prices, customer counts and consumption volume.

## 2 Overview of RRO Providers

EPCOR sets RRO rates for Edmonton and FortisAlberta's service area, while ENMAX provides the RRO for Calgary, and Direct Energy provides the RRO for the ATCO service area. In most months RRO rates are very similar across providers and service areas (Figure 2.1).<sup>2</sup>

Figure 2.1: Residential RRO Rates in Alberta Service Areas, 2015–2016



<sup>1</sup> Alberta Government, "[Price cap to protect consumers from volatile electricity prices.](#)"

<sup>2</sup> The complete set of RRO Rates can be found in Table 7.1.

The three main RRO providers procure RRO energy through the forward market, but use different mechanisms: EPCOR procures forward contracts through auctions up to 120 days in advance of the delivery month; Direct Energy and ENMAX use the NGX exchange screens and over-the-counter trades to procure forward contracts up to 45 days in advance of delivery. EPCOR is currently operating under its 2016–2018 EPSP, implemented in August 2016, while Direct Energy and ENMAX remain under their 2011 EPSPs.

The balance of the province consists of REAs and some municipalities that also provide RRO rates to eligible consumers. Most REAs obtain the RRO through one of the large providers; however, some REAs set the RRO through a custom process established by the REA. The other municipalities examined in this report operate their own distribution utility and either establish their own RRO, or contract with ENMAX to provide the RRO.

### **3 Alberta Electricity Sites and Consumption**

The total annual load that is eligible for the RRO is about 19 terawatt hours (TWh), which accounts for about 40% of the load settled through the Alberta Load Settlement System.<sup>3</sup> In the month of September 2016, the total RRO-eligible load<sup>4</sup> was 1.4 TWh.<sup>5</sup> The total RRO-eligible load can be broken down into four categories:

- (i) covered by a large municipality EPSP (ENMAX and EPCOR Zones);
- (ii) covered by a small municipality EPSP;
- (iii) covered by an EPSP covering a mix of rural and urban population (ATCO and FortisAlberta zones); or,
- (iv) covered by an RRO set by an REA.

---

<sup>3</sup> The load settled through the Alberta Load Settlement System excludes large loads connected directly to the transmission system, load that is consumed behind-the-fence and losses. MSA, "Retail Statistics."

<sup>4</sup> RRO-eligible load excludes large commercial and industrial customers whose annual consumption is equal to or above 250 MWh.

<sup>5</sup> Total load in September 2016 was 3.70 TWh. MSA, "Retail Statistics."

Table 3.1: RRO-Eligible Load in the Province by Service Area in September 2016

Service Area	RRO Provider	Consumption in GWh	Percentage of Total Consumption
Calgary	ENMAX	315	22.3%
Edmonton	EPCOR	283	20.0%
Lethbridge	Lethbridge	26	1.9%
Medicine Hat <sup>6</sup>	Medicine Hat (based on other zones)	40	2.8%
Other Municipalities <sup>7</sup>	ENMAX	35	2.5%
ATCO	Direct Energy	196	13.9%
	REAs using Direct Energy <sup>8</sup>	3	0.2%
	Other REAs <sup>9</sup>	2	0.1%
FortisAlberta	EPCOR	469	33.2%
	REAs using EPCOR <sup>10</sup>	4	0.3%
	Other REAs <sup>11</sup>	39	2.8%
<b>Total</b>		<b>1,413</b>	

As shown in Table 3.1, in September 2016 Edmonton and Calgary (EPCOR and ENMAX) accounted for ~42% of RRO-eligible load. Other municipalities that operate their own distribution utility and contract with an RRO provider account for 2.5% of eligible load. Lethbridge and Medicine Hat set their own RRO rates and have consumption percentages of 1.9% and 2.8%, respectively.

The remaining 50.5% of RRO-eligible load is located in the ATCO and FortisAlberta zones. These zones have EPSPs provided by Direct Energy and EPCOR, respectively. They also include all of the REAs. The MSA does not have consumption data for REAs, but has roughly estimated that 2.9% of the total 1.4 TWh load in September 2016 is from REAs that do not use a Direct Energy or EPCOR RRO rate.<sup>12</sup> This leaves approximately 47.6% of eligible load that would be subject to the EPCOR and Direct Energy EPSPs in the FortisAlberta and ATCO zones. Overall, the MSA estimates that 95% of RRO-eligible load has rates closely aligned with one of the three main EPSPs.<sup>13</sup>

<sup>6</sup> Monthly average data.

<sup>7</sup> Other municipalities include Cardston, Crowsnest Pass, Fort Macleod, Ponoka and Red Deer.

<sup>8</sup> This number is an estimate with many assumptions and should not be cited. It is based on the site numbers reported by AFREA, REAs, Direct Energy and EPCOR. It assumed that all sites were farm sites (which is unlikely the case as some may be idle or of another type). The average consumption of all farms in each of the ATCO and FortisAlberta zones were used to arrive at the final value.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

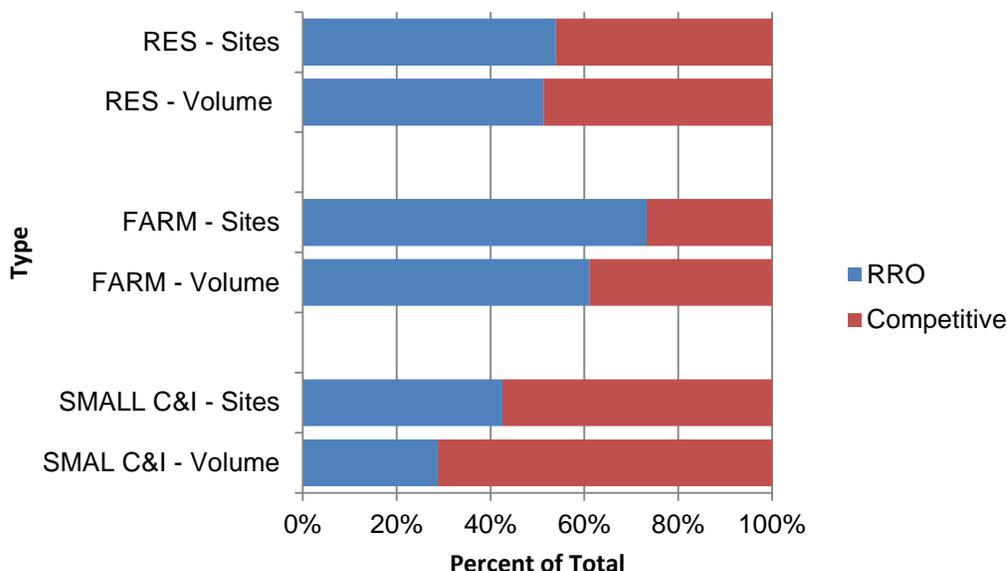
<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> This value includes Other Municipalities, Medicine Hat and any location with EPCOR, ENMAX or Direct Energy. It does not include Lethbridge.

The proportion of RRO-eligible load that is on competitive contracts varies across the province and by customer type, as shown in Figure 3.1. In terms of consumption volume, residential is the largest category of RRO-eligible load, followed by small commercial and industrial (C&I), and farm.<sup>14</sup> Regardless of category, all customers are allowed to return to the RRO, subject only to any exit fees that may exist in their competitive contracts.

Figure 3.1: Number of Sites and Consumption Volume by Customer Type for RRO-Eligible Sites in Alberta (September 2016)<sup>15</sup>



The next two figures show the number of RRO-eligible sites and volumes for the entire province and various zones in September 2016. Typically, the number of sites on the RRO is greater than those on competitive contracts with the exception of ENMAX and the other municipalities. In terms of consumption, however, competitive contracts have higher total volumes compared to the RRO except for EPCOR. If all customers on competitive contracts had switched to the RRO in September, an additional 778 GWh would be on the RRO, for a total of 1.4 TWh.<sup>16</sup> This represents 55.1% of RRO-eligible consumption that is currently on competitive rates (see Table 7.5).

<sup>14</sup> MSA, "Retail Statistics," (September 2016).

<sup>15</sup> Where C&I = Commercial/Industrial and RES = Residential. This chart does not include data for Medicine Hat.

<sup>16</sup> MSA, "Retail Statistics," (September 2016) and data provided courtesy of Medicine Hat.

Figure 3.2: RRO-Eligible Sites (September 2016)<sup>17</sup>

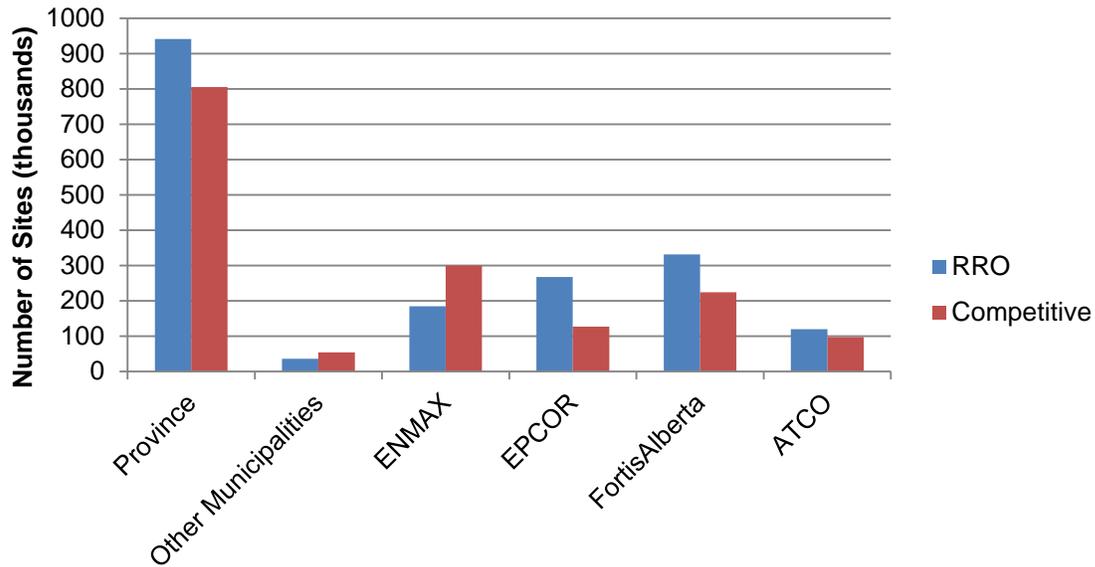


Figure 3.3: RRO-Eligible Volumes (September 2016)<sup>18</sup>

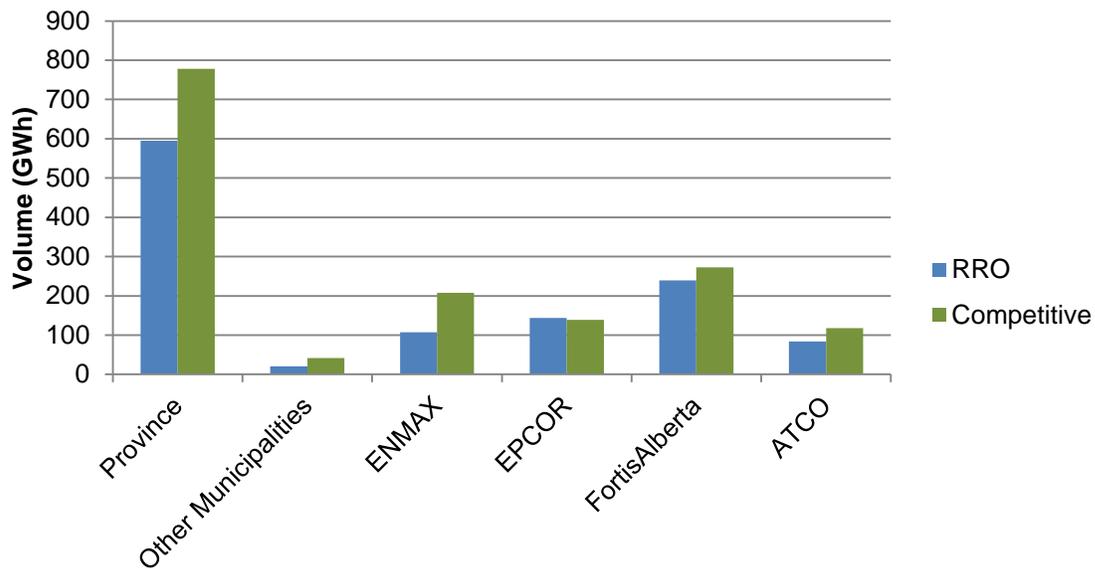
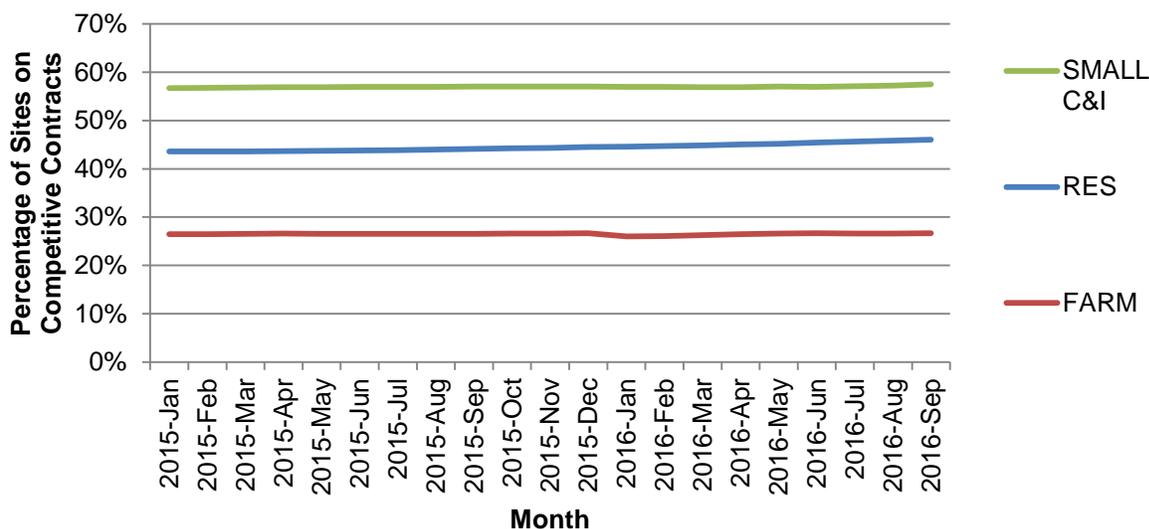


Figure 3.4 displays the percentage of sites on competitive contracts relative to the total number of sites in the province, by category (RRO-eligible sites only). Over the past two years there has been a slight increase in the percentage of residential and small C&I customers on competitive contracts.

<sup>17</sup> Other municipalities include Cardston, Crowsnest Pass, Fort Macleod, Lethbridge, Ponoka and Red Deer. Note: Medicine Hat is not included in this figure.

<sup>18</sup> *Ibid.*

Figure 3.4: Percentage of RRO-Eligible Sites on Competitive Contracts by Customer Type (January 2015 to September 2016)<sup>19</sup>

#### 4 Rural Electrification Associations in Alberta

REAs are not-for-profit rural cooperatives, established through the *Rural Utilities Act*, that own and operate electricity distribution systems for the benefit of their members.<sup>20</sup> REAs were formed in the 1940s because investor-owned utilities were not interested in providing service to rural Alberta due to high costs.<sup>21</sup> Unlike for other distributors, the AUC does not approve the REA's RRO rates.<sup>22</sup> REA Boards of Directors approve RRO rates for their members and act as the regulatory authority.<sup>23</sup>

As of December 2016, 32 REAs operate in Alberta,<sup>24</sup> down from 36 in 2014.<sup>25</sup> Since 2014 Kingman,<sup>26</sup> Stry,<sup>27</sup> VNM<sup>28</sup> and Warwick<sup>29</sup> REAs were sold to either ATCO Electric or FortisAlberta. Of the approximately 1.8 million RRO-eligible sites<sup>30</sup> in the province (which includes residential, farm, commercial and industrial), the REAs' share is about 41 thousand sites<sup>31</sup> as of December 2016.<sup>32</sup>

<sup>19</sup> Where C&I = Commercial/Industrial and RES = Residential. This chart excludes Medicine Hat.

<sup>20</sup> Adapted from Retail Market Review Committee (RMRC), "Power for the People," p. 182.

<sup>21</sup> MSA, "Alberta Retail Markets for Electricity and Natural Gas," p. 11.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

<sup>24</sup> See Table 4.1.

<sup>25</sup> MSA, "Alberta Retail Markets for Electricity and Natural Gas," p. 11.

<sup>26</sup> FortisAlberta, "News Release – FortisAlberta purchases Kingman Rural Electrification Association."

<sup>27</sup> ATCO Electric, "Stry REA Members Vote to Sell to ATCO Electric."

<sup>28</sup> FortisAlberta, "News Release – FortisAlberta to purchase VNM Rural Electrification Association."

<sup>29</sup> ATCO Electric, "Warwick REA Members Vote to sell to ATCO Electric."

<sup>30</sup> MSA, "Retail Statistics," September 2016 and data provided courtesy of Medicine Hat.

<sup>31</sup> This number may include a small number of small commercial/industrial sites that are not eligible for the RRO because of consumption over 250 MWh.

<sup>32</sup> Multiple sources. See Table 4.2.

#### 4.1 RRO Provider

In Alberta there are two types of REAs: those that set their own RRO rates and those that have contracted the service from other providers. Of the 32 REAs, eight set their own RRO rate.<sup>33</sup> Table 4.1 below lists the REAs by regulated rate provider.

Table 4.1: List of Regulated Rate Option (RRO) Providers for each of the Rural Electrification Associations (REAs) in 2016<sup>34</sup>

Regulated Rate Provider	Rural Electrification Association
Direct Energy	Beaver REA Ltd.
	Borradaile REA Ltd.
	Braes REA Ltd.
	Claysmore REA Ltd.
	Devonia REA Ltd.
	Heart River REA Ltd.
	Kneehill REA Ltd.
	Mackenzie REA Ltd.
	Myrnam REA Ltd.
	Zawale REA Ltd.
EPCOR	Drayton Valley REA Ltd.
	Lindale REA Ltd.
	Montana REA Ltd.
	Stony Plain REA Ltd.
	West Liberty REA Ltd.
	West Wetaskiwin REA Ltd.
Battle River Power Coop	Battle River Power Coop
	Fenn REA Ltd.
EQUUS REA	EQUUS REA Ltd.
	Tomahawk REA Ltd.
Lakeland REA	Armena REA Ltd.
	Lakeland REA Ltd.
	Sterling REA Ltd.
	Willingdon REA Ltd.
North Parkland Power REA Ltd.	North Parkland Power REA Ltd.
Peigan Indian REA	Peigan Indian REA Ltd.
Rocky REA	Duffield REA Ltd.
	Mayerthorpe & District REA Ltd.
	Rocky REA Ltd.

<sup>33</sup> The REAs that set their own rates are: Battle River Power Coop, EQUUS, Lakeland, North Parkland Power, Peigan Indian, Rocky, Wild Rose and Ermineskin.

<sup>34</sup> Sources include AFREA and some REAs.

TransCanada	Niton REA Ltd.
Wild Rose REA	Wild Rose REA Ltd.
Ermineskin REA	Ermineskin REA Ltd.

## 4.2 RRO Sites

Table 4.2 shows the number of sites on the RRO relative to the total number of sites in REAs that have an RRO rate provided by the specified provider. Overall, REAs and the province have a similar percentage of customers on the RRO.

Table 4.2: Aggregated Rural Electrification Association (REA) Sites, including the Number on the Regulated Rate Option (RRO)<sup>35</sup>

RRO Provider	Total Number of Sites in serviced REAs <sup>36</sup>	Total Number of Sites on the RRO	Percentage on the RRO
Direct Energy	3,305	2,283	69%
EPCOR	3,040	2,715	89%
REA Self-supply	30,764	15,454	50%
Another REA <sup>37</sup>	3,997	1,702	43%
<b>TOTAL</b>	<b>41,106</b>	<b>22,154<sup>38</sup></b>	<b>57%<sup>39</sup></b>

## 4.3 RRO Rates

There are various methodologies used to set REA RRO rates. For REAs whose RRO provider is either EPCOR or Direct Energy (see Table 4.1), the RRO price setting methodology is outlined in the EPSP of the provider.<sup>40</sup> There is little public information on the price setting methodologies for other REAs. Some REAs are small and are unlikely to have detailed EPSPs.

Customers in one of the six REAs with EPCOR as their RRO provider receive energy under one of three primary rate classes: REA (Farm),<sup>41</sup> Irrigation, or Unmetered Lighting. REA Irrigation and Unmetered Lighting rates are identical to their FortisAlberta zone counterparts, while REA (Farm) customers pay essentially the same rates as either FortisAlberta Farm or Residential customers, with rates never varying from the FortisAlberta rate by more than 0.1 ¢/kWh.

<sup>35</sup> Sources include the MSA (Retail Statistics), REAs, AFREA, Direct Energy and EPCOR. Due to the diversity of sources, the time periods from which the data are drawn also vary, but they are believed to be representative of a time between September to December 2016. Some sources only provided estimates to the MSA.

<sup>36</sup> May include some idle sites.

<sup>37</sup> Includes TransCanada even though they are not an REA.

<sup>38</sup> This is not the total number of sites on the RRO as some RRO site counts are missing.

<sup>39</sup> If RRO site counts are missing, these REAs are excluded from the percentage calculation.

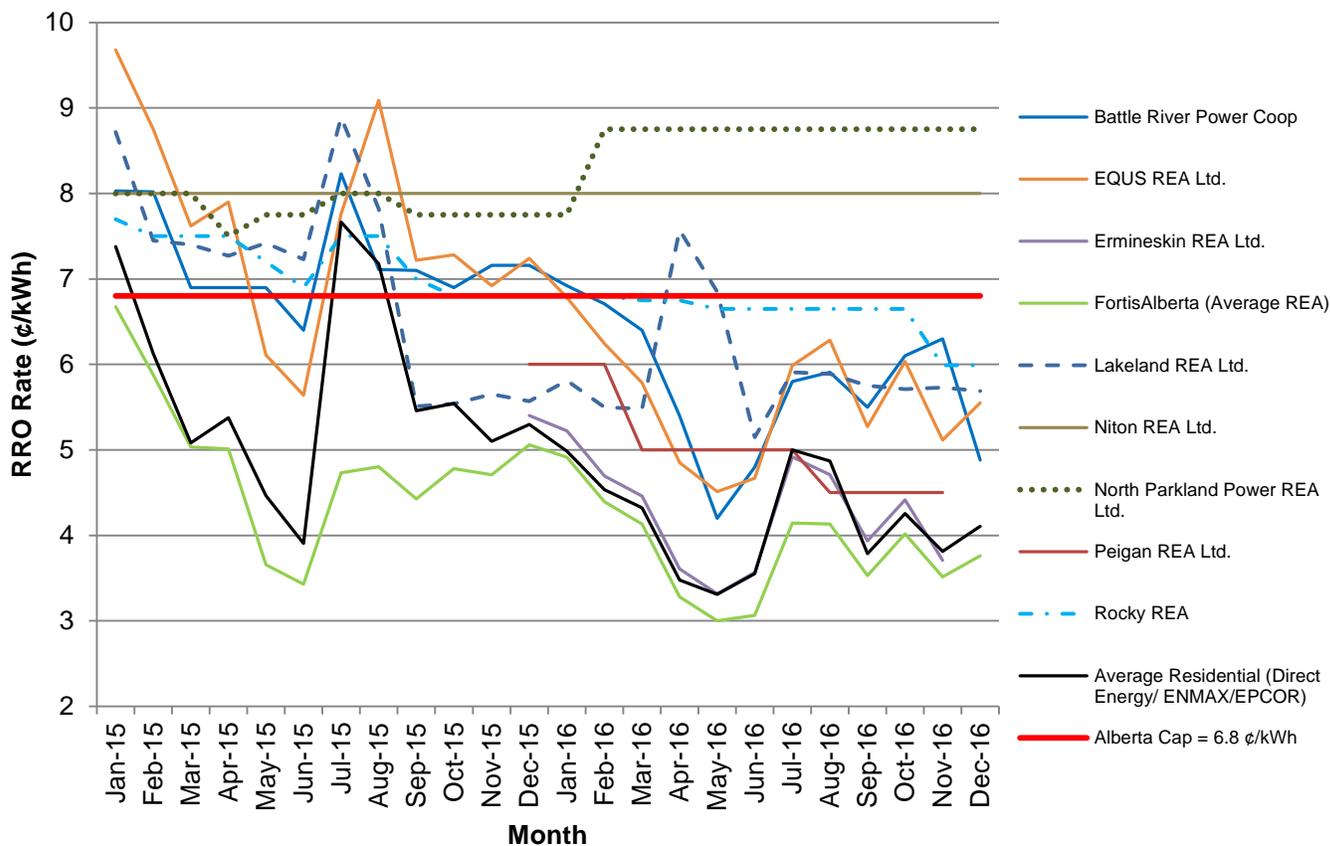
<sup>40</sup> See Decision [20342-D02-2016](#) for the initial approval of the EPCOR EPSP, and [20342-D03-2016](#) for subsequent amendments. Direct Energy's EPSP was initially approved in Proceeding [2011-199](#), and subsequently amended in [20349-D01-2015](#) and [20785-D01-2016](#).

<sup>41</sup> This rate is identical to that for Large Farm Service and Grain Dryer Service.

Customers in one of the ten REAs with Direct Energy as their RRO provider are classified as either Farming or Irrigation customers, at the same rates as their ATCO rate counterparts. However, REA customers on farming rates typically pay, on average, 0.04 ¢/kWh less than either ATCO Residential or Commercial customers.

Figure 4.1 below shows the RRO rates for the last two years for REAs that do not use the standard EPCOR or Direct Energy RRO rates. It also includes rates for FortisAlberta sites that have EPCOR RRO rates that vary slightly from the main FortisAlberta RRO rates (as explained above). An average of the main residential EPSPs is included as a comparison. While in 2016 most rates have fallen below the 6.8 ¢/kWh price ceiling, in December 2016 Niton REA and North Parkland Power REA had rates of 8 ¢/kWh and 8.75 ¢/kWh, respectively. Overall, the chart shows that there is significant variability between RRO rates for the rate setting REAs.

Figure 4.1: RRO Rates from January 2015 to December 2016<sup>42</sup>



## 5 Alberta Municipalities

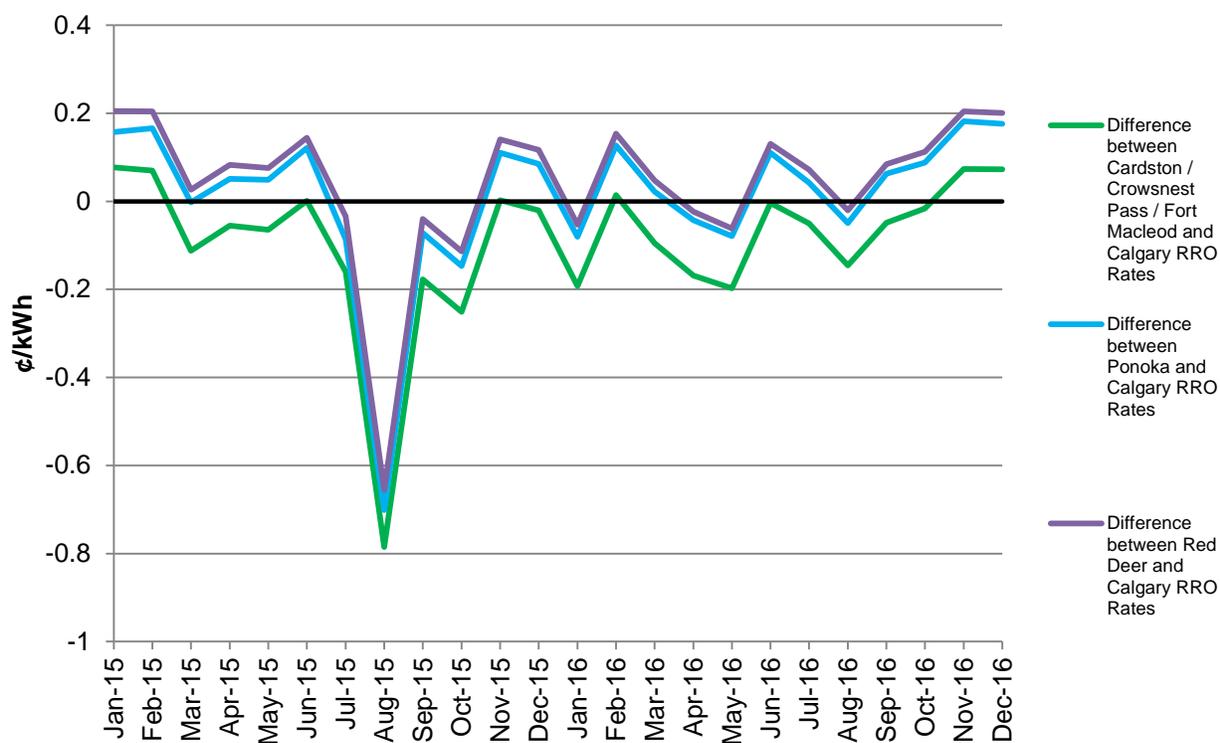
A number of municipalities own their own electricity distribution systems, including Calgary, Edmonton, Red Deer, Lethbridge, Cardston, Fort Macleod, Ponoka, and Crowsnest Pass. Each

<sup>42</sup> Sources include the various REAs, ENMAX, EPCOR and Direct Energy.

of these except Edmonton and Lethbridge has appointed ENMAX Energy Corporation to be their RRO provider.<sup>43</sup> EPCOR is the RRO provider in Edmonton, while the City of Lethbridge is the RRO provider in Lethbridge. On November 17<sup>th</sup>, 2016, Crowsnest Pass sold their distribution system to FortisAlberta, meaning future RRO rates will be set by EPCOR.<sup>44</sup>

Figure 5.1 illustrates the difference between the RRO rate in Calgary and the municipalities that have appointed ENMAX as their RRO provider. A geographic split is apparent, with municipalities north of Calgary tending to pay a higher RRO rate, while cities south of Calgary pay a lower RRO rate. The MSA has not located any publicly available information that explains the source of the differences.

Figure 5.1: Difference in RRO Rates between ENMAX-Appointing Municipalities and Calgary, 2015–2016



The City of Medicine Hat is located in southeast Alberta and was home to approximately 63,000 residents as of April 10, 2015.<sup>45</sup> The city owns generation and distribution assets and establishes utility rates for residents. It is also subject to certain exemptions from provincial electricity laws and regulations. The residents of Medicine Hat must obtain retail electricity and natural gas services from the City of Medicine Hat. The monthly energy rate for small

<sup>43</sup> See [Town of Cardston Bylaw 1649](#), PDF Page 3, 3(b), [Municipality of Crowsnest Pass Bylaw No. 834](#), PDF Page 6, Article 1, and [Town of Fort Macleod Bylaw 1749](#), PDF Page 4, Article 1. See the UCA Website for information on ENMAX's provision of the RRO to [Ponoka](#) and [Red Deer](#).

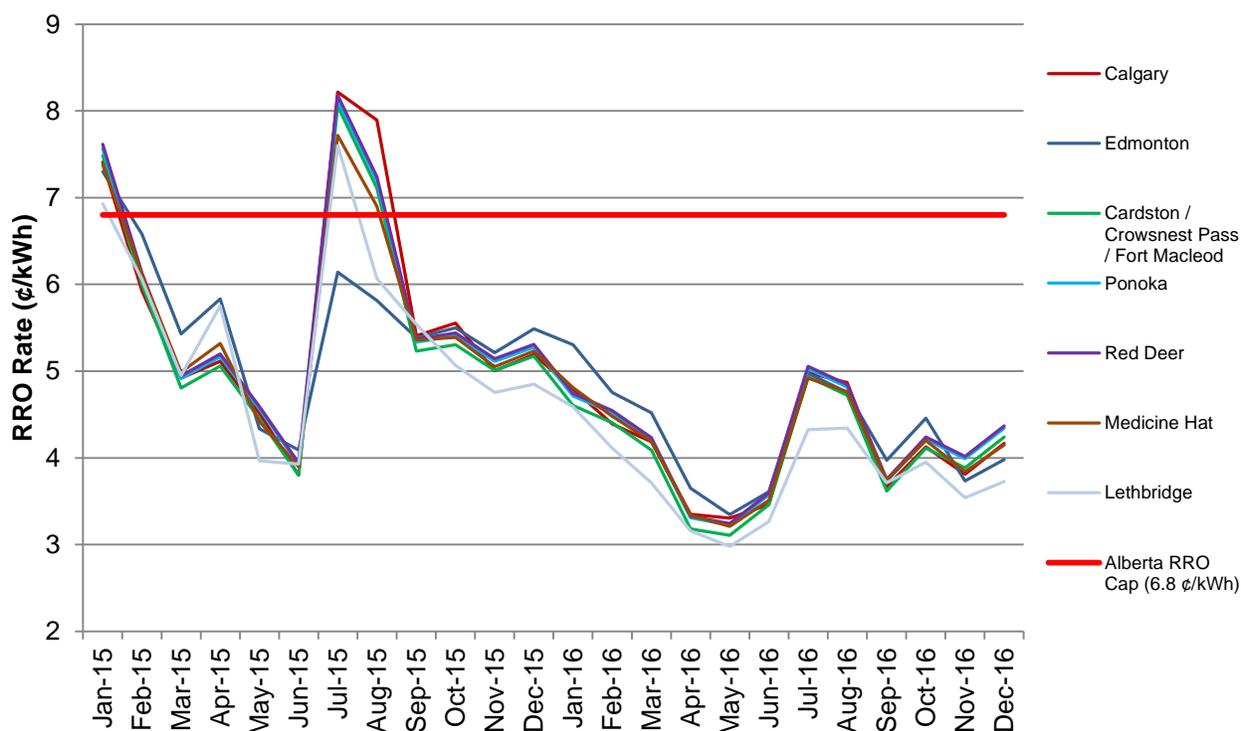
<sup>44</sup> Crowsnest Pass Municipal News, "[Electrical Distribution now provided by FortisAlberta.](#)"

<sup>45</sup> City of Medicine Hat, "[2015 Census Report.](#)"

consumers in Medicine Hat is the average of residential and commercial RRO Rates from all municipalities and service zones.<sup>46</sup> The energy rate for larger consumers is based on the average AESO Daily Pool Price for the month.<sup>47</sup> Alternatively, consumers can opt for an annual fixed rate for energy, although relatively few customers are on such plans.<sup>48</sup>

Historical RRO Rates for all aforementioned municipalities are displayed in Figure 5.2. RRO Rates are approximately the same among the municipalities, although Lethbridge tends to have slightly lower rates month-to-month.<sup>49</sup> This is possibly due to the lack of energy return margin charged to Lethbridge consumers under their EPSP.<sup>50</sup> It should be noted that the rates for Cardston, Crowsnest Pass and Fort Macleod are the same for all months listed.

Figure 5.2: Residential RRO Rates in Other Municipalities, 2015–2016<sup>51</sup>



RRO rates for these municipalities can be found in Table 7.1 and Table 7.2, while consumption data can be found in Table 7.3 and Table 7.4.

<sup>46</sup> City of Medicine Hat, "[Gas, Electric, Wind Energy Rates Set for December.](#)"

<sup>47</sup> City of Medicine Hat, "[Bylaw No: 2244, Amended by Bylaw No: 4386.](#)" Pages 22, 24, 30.

<sup>48</sup> City of Medicine Hat, "[Energy Fixed Rate.](#)" See Table 7.5.

<sup>49</sup> Both [Historical](#) and [Current](#) RRO rates can be found on the City of Lethbridge website.

<sup>50</sup> City of Lethbridge, "[Electric Regulated Rate Option Rate Schedule.](#)" Pages 16–18. This EPSP is set according to the RRO Regulation.

<sup>51</sup> The default rate (for small consumers) is used in place of an RRO rate for the City of Medicine Hat.

## 6 Summary

Rates for about 95% of RRO-eligible load in the province are set through the EPSP process outlined in the *Regulated Rate Option Regulation*, or are closely aligned with those rates. This includes the majority of municipalities and REAs. For the REAs that are not aligned with the main EPSPs, the RRO rates vary substantially, although the majority are higher than the rest of the province. These REAs, however, constitute a very small portion of total load.

There are 14 different entities that provide RRO rates to customers in the province. The RRO may be provided directly to customers in the provider's service zone or on behalf of another distributor in another service zone. Many providers have separate rates for different types of customers (residential, farm, commercial, etc.) as well as for different service zones.

## References

### Alberta Statutes and Regulations

Regulated Rate Option Regulation (Alta Reg 262/2005)  
[http://www.qp.alberta.ca/documents/Regs/2005\\_262.pdf](http://www.qp.alberta.ca/documents/Regs/2005_262.pdf)

Rural Utilities Act (RSA 2000, c R-21) <http://www.qp.alberta.ca/documents/Acts/R21.pdf>

### Market Surveillance Administrator (MSA)

Alberta Retail Markets for Electricity and Natural Gas – A Description of Basic Structural Features. (July 17, 2014). <http://albertamsa.ca/uploads/pdf/Archive/00-2014/Alberta%20Retail%20Markets%20for%20Electricity%20and%20Natural%20Gas%20071714..pdf>

Retail Statistics. (Unpublished).

### Other

Alberta Utilities Commission (AUC), "AUC Information - Electricity and the AUC," n.d.  
[http://www.auc.ab.ca/about-the-auc/auc-information/Documents/AUC\\_Information/AUC\\_information\\_electricityAndtheAUC\\_02.pdf](http://www.auc.ab.ca/about-the-auc/auc-information/Documents/AUC_Information/AUC_information_electricityAndtheAUC_02.pdf)

ATCO Electric, "Stry REA Members Vote to Sell to ATCO Electric," (August 29, 2014).  
<http://www.atcoelectric.com/News/2014-News-Release/2014-Aug-29-Stry-REA-Members-Vote-to-Sell-to-ATCO-Electric>

ATCO Electric, "Warwick REA Members Vote to sell to ATCO Electric," (October 27, 2014).  
<http://www.atcoelectric.com/News/2014-News-Release/2004-10-27-Warwick-REA-Members-Vote-To-Sell-To-ATCO-Electric>

FortisAlberta, "News Release – FortisAlberta purchases Kingman Rural Electrification Association," (June 17, 2015). <http://www.fortisalberta.com/docs/default-source/default-document-library/media-release-june-17-2015.pdf?sfvrsn=8>

FortisAlberta, "News Release – FortisAlberta to purchase VNM Rural Electrification Association," (September 23, 2015). <http://www.fortisalberta.com/docs/default-source/default-document-library/media-release-sept-23-2015.pdf?sfvrsn=4>

Retail Market Review Committee Report (RMRC), "Power for the People," (September 2012).  
<http://www.energy.alberta.ca/Electricity/pdfs/RMRCreport.pdf>

## 7 Appendix

### 7.1 RRO Rates in the Service Zones and Other Municipalities

Table 7.1: RRO Rates in the Four Service Zones, 2015–2016

	ENMAX		EPCOR			Fortis							ATCO						
	Residential	Commercial	Residential	Small Commercial	Lighting	Residential	Small Commercial	Lighting	Farm	Irrigation	REA (Farm)	Oil/Gas	Residential	Commercial	Lighting	Farming	Industrial	Irrigation	Oil & Gas
Jan-15	7.4088	7.4088	7.302	7.302	5.915	7.139	7.239	5.802	7.192	7.022	7.199	7	7.423	7.39	6.048	7.222	7.164	7.222	7.141
Feb-15	5.9299	5.9299	6.583	6.583	5.063	6.422	6.512	4.832	6.469	6.333	6.475	6.313	5.873	5.891	4.68	5.818	5.759	5.818	5.708
Mar-15	4.9176	4.9176	5.431	5.431	4.358	5.328	5.402	4.405	5.367	5.325	5.372	5.315	4.895	4.964	3.445	4.844	4.754	4.844	4.736
Apr-15	5.1141	5.1141	5.832	5.832	3.804	5.689	5.768	3.687	5.73	5.607	5.736	5.59	5.177	5.195	3.182	5.14	4.983	5.14	4.946
May-15	4.5154	4.5154	4.337	4.337	2.663	4.229	4.287	2.575	4.26	4.136	4.263	4.123	4.538	4.523	2.556	4.518	4.381	4.27	4.335
Jun-15	3.8008	3.8008	4.089	4.089	2.343	3.992	4.047	2.369	4.021	3.898	4.025	3.886	3.831	3.854	2.468	3.836	3.736	3.625	3.721
Jul-15	8.216	8.216	6.14	6.14	2.448	5.979	6.063	2.451	6.024	5.714	6.029	5.689	8.634	8.743	2.412	8.598	8.144	8.043	8.01
Aug-15	7.896	7.896	5.813	5.813	2.993	5.674	5.752	3.227	5.715	5.464	5.72	5.443	7.82	7.882	4.2	7.838	7.545	7.461	7.426
Sep-15	5.407	5.407	5.387	5.387	2.929	5.234	5.305	3	5.271	5.004	5.276	4.982	5.577	5.575	3.391	5.53	5.322	5.275	5.246
Oct-15	5.5547	5.5547	5.498	5.498	3.884	5.36	5.433	3.721	5.398	5.219	5.403	5.202	5.582	5.545	4.009	5.519	5.344	5.301	5.277
Nov-15	5.0036	5.0036	5.212	5.212	4.194	5.083	5.152	4.02	5.119	4.988	5.124	4.973	5.082	5.073	4.281	5.031	4.951	5.031	4.929
Dec-15	5.1922	5.1922	5.489	5.49	4.584	5.364	5.437	4.49	5.402	5.277	5.407	5.262	5.208	5.187	4.477	5.155	5.087	5.155	5.065
Jan-16	4.7947	4.7947	5.304	5.304	4.467	5.186	5.257	4.383	5.224	5.133	5.228	5.12	4.852	4.846	4.117	4.811	4.74	4.811	4.719
Feb-16	4.3921	4.3921	4.753	4.753	3.964	4.66	4.723	3.84	4.693	4.643	4.698	4.633	4.461	4.463	3.754	4.432	4.389	4.432	4.373
Mar-16	4.1858	4.1858	4.521	4.521	3.476	4.429	4.488	3.53	4.46	4.406	4.464	4.396	4.265	4.286	3.214	4.244	4.177	4.244	4.143
Apr-16	3.3497	3.3497	3.65	3.65	2.719	3.584	3.631	2.667	3.609	3.563	3.612	3.555	3.438	3.42	2.48	3.42	3.356	3.347	3.325
May-16	3.3043	3.3043	3.346	3.346	2.45	3.294	3.336	2.419	3.316	3.263	3.319	3.256	3.281	3.271	2.285	3.271	3.202	3.195	3.181
Jun-16	3.4637	3.4637	3.611	3.611	2.063	3.543	3.588	2.162	3.567	3.461	3.57	3.451	3.579	3.611	2.232	3.581	3.484	3.469	3.464
Jul-16	4.9828	4.9828	4.975	4.975	2.697	4.887	4.951	2.759	4.919	4.751	4.924	4.733	5.041	5.09	2.875	5.045	4.873	4.85	4.839
Aug-16	4.8665	4.8665	4.754	4.754	2.902	4.678	4.741	3.115	4.711	4.562	4.716	4.549	4.991	5.016	3.032	4.977	4.794	4.772	4.756
Sep-16	3.6666	3.6666	3.971	3.971	2.785	3.908	3.959	2.823	3.935	3.827	3.938	3.817	3.725	3.771	2.848	3.723	3.64	3.624	3.613
Oct-16	4.1272	4.1272	4.456	4.456	3.34	4.385	4.444	3.319	4.416	4.31	4.42	4.299	4.186	4.177	3.367	4.16	4.067	4.052	4.041
Nov-16	3.8114	3.8114	3.736	3.736	3.229	3.684	3.732	3.176	3.709	3.662	3.712	3.656	3.888	3.876	3.416	3.88	3.811	3.88	3.805
Dec-16	4.1671	4.1671	3.982	3.982	3.446	3.925	3.977	3.431	3.952	3.893	3.956	3.884	4.176	4.158	3.657	4.166	4.09	4.166	4.078

Table 7.2: RRO Rates in Other Municipalities, 2015–2016

	<b>Medicine Hat<sup>52</sup></b>	<b>Cardston</b>	<b>Crowsnest Pass</b>	<b>Fort Macleod</b>	<b>Ponoka</b>	<b>Red Deer</b>	<b>Lethbridge</b>
<b>Jan-15</b>	7.38	7.486	7.486	7.486	7.566	7.614	6.931
<b>Feb-15</b>	6.12	6	6	6	6.096	6.134	6.061
<b>Mar-15</b>	4.99	4.805	4.805	4.805	4.915	4.944	4.948
<b>Apr-15</b>	5.32	5.059	5.059	5.059	5.165	5.197	5.751
<b>May-15</b>	4.42	4.451	4.451	4.451	4.564	4.591	3.967
<b>Jun-15</b>	3.9	3.802	3.802	3.802	3.922	3.945	3.929
<b>Jul-15</b>	7.72	8.056	8.056	8.056	8.13	8.182	7.601
<b>Aug-15</b>	6.9	7.111	7.111	7.111	7.195	7.24	6.069
<b>Sep-15</b>	5.36	5.23	5.23	5.23	5.335	5.367	5.539
<b>Oct-15</b>	5.39	5.304	5.304	5.304	5.408	5.441	5.065
<b>Nov-15</b>	5.05	5.006	5.006	5.006	5.114	5.144	4.756
<b>Dec-15</b>	5.23	5.172	5.172	5.172	5.277	5.309	4.849
<b>Jan-16</b>	4.81	4.602	4.602	4.602	4.714	4.742	4.59
<b>Feb-16</b>	4.48	4.406	4.406	4.406	4.519	4.546	4.112
<b>Mar-16</b>	4.19	4.091	4.091	4.091	4.208	4.233	3.714
<b>Apr-16</b>	3.34	3.181	3.181	3.181	3.307	3.326	3.16
<b>May-16</b>	3.21	3.107	3.107	3.107	3.225	3.243	2.979
<b>Jun-16</b>	3.51	3.46	3.46	3.46	3.574	3.594	3.265
<b>Jul-16</b>	4.92	4.933	4.933	4.933	5.025	5.055	4.324
<b>Aug-16</b>	4.76	4.721	4.721	4.721	4.817	4.846	4.342
<b>Sep-16</b>	3.74	3.618	3.618	3.618	3.729	3.751	3.713
<b>Oct-16</b>	4.2	4.111	4.111	4.111	4.215	4.24	3.95
<b>Nov-16</b>	3.84	3.885	3.885	3.885	3.993	4.016	3.539
<b>Dec-16</b>	4.15	4.24	4.24	4.24	4.343	4.368	3.727

<sup>52</sup> Small Consumer Rate Classes who might otherwise be eligible for the RRO.

## 7.2 RRO Consumption and Load Data

Table 7.3: Number of Sites and Monthly Consumption on RRO Rates in the Four Service Areas, October 2016

	ENMAX		EPCOR			Fortis						ATCO						
	Residential	Commercial	Residential	Small Commercial	Lighting	Residential	Small Commercial	Lighting <sup>53</sup>	Farm <sup>54</sup>	Irrigation <sup>55</sup>	Oil/Gas	Residential	Commercial	Lighting	Farming <sup>56</sup>	Industrial	Irrigation <sup>57</sup>	Oil & Gas
<b>Sites</b>	171128	12584	245239	21339	1170	244585	27024	7108	30720	3129	500	86666	13682	4766	19444	1	53	80
<b>Consumption (kWh / Month)</b>	88296278.1	28758804	113979421	46603401	209284	153686834	52473258	602824.8	34588144.1	1229702.2	378668	46603338	24656913	240257	21031386	736	81255	23597

Table 7.4: Number of Sites and Monthly Consumption on RRO Rate in Other Municipalities, October 2016

	Medicine Hat <sup>58</sup>	Cardston <sup>59</sup>	Crowsnest Pass <sup>60</sup>	Fort Macleod <sup>61</sup>	Ponoka <sup>62</sup>	Red Deer <sup>63</sup>	Lethbridge <sup>64</sup>
<b>Sites</b>	31868	512	623	616	1523	16453	16835
<b>Consumption (kWh / Month)</b>	39736756.4	350828.6	329302.9	377209.4	979538.8	10453922	9708798.7

Table 7.5: RRO-Eligible Sites and Consumption in Service Areas & Other Municipalities, September 2016

<sup>53</sup> Includes the REA "Unmetered Controlled Lighting Service" consumers (for the six relevant REAs receiving the RRO from EPCOR).

<sup>54</sup> Includes the REA "Farm Service," "Large Farm Service" and "Grain Dryer Service" consumers (for the six relevant REAs receiving the RRO from EPCOR).

<sup>55</sup> Includes the REA "Irrigation Service" consumers (for the six relevant REAs receiving the RRO from EPCOR).

<sup>56</sup> Includes relevant REA consumers (for the ten relevant REAs receiving the RRO from Direct Energy).

<sup>57</sup> Includes relevant REA consumers (for the ten relevant REAs receiving the RRO from Direct Energy).

<sup>58</sup> Monthly average data. Includes Small & Medium Commercial, Residential Consumers, Unmetered Services, Rental Lighting, and Farm Consumers.

<sup>59</sup> Includes Commercial, Residential and Street Light Consumers.

<sup>60</sup> Includes Commercial and Residential Consumers.

<sup>61</sup> Includes Commercial and Residential Consumers.

<sup>62</sup> Includes Commercial, Residential and Street Light Consumers.

<sup>63</sup> Includes Commercial and Residential Consumers.

<sup>64</sup> Includes Commercial, Residential, Street Lights and Unmetered Consumers.

Service Area	RRO Provider	Total Number of RRO-Eligible Sites	Total Number of Eligible Sites on the RRO	Percentage of Eligible Sites on the RRO	Total RRO-Eligible Consumption (kWh)	Total Consumption on the RRO (kWh)	Percentage of Eligible Consumption on the RRO
<b>ATCO</b>	Direct Energy Regulated Services	218,313	120,346	<b>55.1%</b>	201,153,269	83,611,860	<b>41.6%</b>
<b>Cardston</b>	ENMAX	1,537	519	<b>33.8%</b>	1,243,225	339,061	<b>27.3%</b>
<b>Crowsnest Pass</b>	ENMAX	1,532	638	<b>41.6%</b>	850,910	291,607	<b>34.3%</b>
<b>ENMAX (Calgary)</b>	ENMAX	484,913	184,697	<b>38.1%</b>	314,720,495	107,332,568	<b>34.1%</b>
<b>EPCOR (Edmonton)</b>	EPCOR	395,073	267,828	<b>67.8%</b>	283,051,515	143,941,922	<b>50.9%</b>
<b>Fort Macleod</b>	ENMAX	1,645	627	<b>38.1%</b>	1,150,635	352,347	<b>30.6%</b>
<b>FortisAlberta</b>	EPCOR	556,741	331,937	<b>59.6%</b>	512,102,545	239,318,455	<b>46.7%</b>
<b>Lethbridge</b>	City of Lethbridge	39,713	16,762	<b>42.2%</b>	26,395,924	9,118,797	<b>34.5%</b>
<b>Ponoka</b>	ENMAX	3,577	1,572	<b>43.9%</b>	2,587,891	902,733	<b>34.9%</b>
<b>Red Deer</b>	ENMAX	43,440	16,574	<b>38.2%</b>	29,627,494	9,457,320	<b>31.9%</b>
<b>Medicine Hat<sup>65</sup></b>	City of Medicine Hat	31,987	31,868	<b>99.6%</b>	39,853,223	39,736,756	<b>99.7%</b>
	<b><u>TOTAL</u></b>	<b>1,778,471</b>	<b>973,368</b>	<b>54.7%</b>	<b>1,412,737,126</b>	<b>634,403,427</b>	<b>44.9%</b>

<sup>65</sup> Monthly average data. Note that it has been assumed that only Residential, Farm, Small and Medium Commercial, Unmetered Lighting and Rental Lighting are RRO-eligible. Only these rate classes (encompassing 'Small Consumer') have been classified as currently being on the RRO.