

BYLAW 6233 - Electric Regulated Rate Option Bylaw DATE OF CONSOLIDATION: December 19, 2023

Amendment History:

7 c y .			
BYLAW 6328	in Schedule A, s. "A6. Other Costs" is deleted in its		
	entirety, and is replaced by a new A6		
BYLAW 6410	Change Phone number in Appendix 1 and Section		
	A2 of Schedule A clerical edits.		

DISCLAIMER:

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Copies of official versions and amendments can be requested from the

City Clerk's Office by calling 403-320-4741 or emailing <u>cityclerk@lethbridge.ca</u>.

Bylaw last revised: November 28, 2023

Effective: January 1, 2024

Bylaw 6410

BYLAW 6233

A CONSOLIDATED BYLAW OF THE CITY OF LETHBRIDGE ELECTRIC REGULATED RATE OPTION TARIFF

WHEREAS the City of Lethbridge owns and operates a Municipal Electric Distribution Utility;

AND WHEREAS the City of Lethbridge Municipal Electric Distribution Utility has been designated as a Wire Service Provider pursuant to the ELECTRIC UTILITIES ACT, S.A. 2003, c. E-5.1;

AND WHEREAS it is necessary to establish a Regulated Rate Option and to identify who may qualify for such a rate option;

NOW THEREFORE, THE COUNCIL OF THE CITY OF LETHBRIDGE, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

- 1. Bylaw 6233 the City of Lethbridge Electric Regulated Rate Option Bylaw is established.
- 2. The Electric Regulated Rate Option rates are contained in the following Rate Schedules:

Rate Code 791 Standard Distribution Regulated Rate

Rate Code 792 Medium Distribution Regulated Rate

Rate Code 794 General Distribution Regulated Rate

Rate Code 795 Dedicated Distribution Regulated Rate

Rate Code 798 Public Lighting Regulated Rate

Rate Code 799 Unmetered Regulated Rate

attached to this Bylaw as "Appendix 1 – Electric Regulated Rate Option Rate Schedule".

- 3. A Regulatory Rate Option Electric Energy Pricing Plan is established and attached to this Bylaw as "Schedule A: RRO Electric Energy Price Setting Plan".
- 4. The Electric Distribution Tariff Rates contained in "Schedule B: Electric Distribution Tariff Rates" are included in the regulated rate option.
- 5. The "Regulated Rate Option Regulation" is attached to this Bylaw as "Schedule C: RRO Regulation".
- 6. The fees applicable to regulated rate option customers are set out in "Schedule D: Fees."
- 7. The terms and conditions applicable to regulated rate option customers are set out in "Schedule E: Terms & Conditions".
- 8. Bylaw 5792 and amendments thereto are hereby repealed.
- 9. This Bylaw shall take effect on the 1st day of January, 2021.

SIGNED A FIRST TIME THIS 21st DAY OF September, 2020.

SIGNED A SECOND TIME THIS 14th DAY OF Decmber, 2020.

SIGNED A THIRD TIME THIS 14th DAY OF December, 2020.

(Sgd.) <u>C.A Spearman</u> MAYOR

(Sgd.) <u>David Sarsfield</u> A/CITY CLERK

Appendix 1



City of Lethbridge **ELECTRIC UTILITY**

Electric Regulated Rate Option Rate Schedule

City of Lethbridge Bylaw 6233

Effective: January 1, 2021

City of Lethbridge Infrastructure Services Electric Utility

Document

Copies of this document available

at: City of Lethbridge Electric Utility

Office: 2nd Floor, 290 7 Street N Lethbridge, Alberta T1H 0K3

Office Hours: Monday to Friday, 8:00 a.m.- 4:30 p.m.

Phone: 403.320.3111

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Email: <u>electricaccountadmin@lethbridge.ca</u>

Electric version (pdf) of this document available at:

http://www.lethbridge.ca/bylaws

Other related documents available on the City of Lethbridge website:

City of Lethbridge Electric Utility Bylaw (current bylaw)

City of Lethbridge Electric Distribution Tariff Bylaw (current bylaw), including:

- Rate Schedule
- Electric Utility Terms and Conditions of Electric Service

Technical Terms and Conditions of Distribution Wire Access

Guideline for Generators

Guideline for Power Quality

Distribution Tariff Fee Schedule

Microgeneration, Terms and Conditions of

Document Author:

City of Lethbridge Electric Utility & Rates & Regulatory Infrastructure Services City of Lethbridge

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Electric Regulated Rate Option (RRO)

Electric RRO Tariff

The current Electric Regulated Rate Option Tariff includes an RRO Electric Energy Price Setting Plan, a Regulated Rate Schedule and Electric Utility Terms and Conditions of Electric Service (Article 5).

Electric RRO Rate

The current Electric Regulated Rate includes: 1) an electric energy component determined through a City of Lethbridge Electric Utility RRO Electric Energy Price Setting Plan, and 2) distribution access and transmission access components applied through the current approved Electric Distribution Tariff.

Electric Utility RRO Electric Energy Price Setting Plan

The RRO Electric Energy Pricing Plan provides for the procurement of electric energy within the framework of RRO Regulation¹.

Electric Distribution Tariff

The current Electric Distribution Tariff includes approved Distribution Access Rates, Transmission Access Rates and Electric Utility Terms and Conditions of Electric Service.

Effective Rate Period

Current Electric RRO Rates take effect January 1, 2021 and remain in effect until replaced by a new or amended rate approved by the City Council of City of Lethbridge.

Rate Application Authority

The City of Lethbridge undertakes to apply an Electric Regulated Rate Option as per Section 103 of Electric Utilities Act, S.A., 2003, c. E-5.1, and applicable Regulations.

Rate Approval Authority

The City of Lethbridge Electric Utility undertakes to apply the current Electric RRO under the authority of City of Lethbridge Bylaw 6233.

Terms and Conditions

Electric Regulated Rate Option customers are subject to Terms and Conditions of Electric Service, Technical Terms and Conditions for Distribution Wire Access, Guidelines for Generators, Guidelines for Power Quality and Distribution Tariff Fee Schedule, Guidelines and Terms & Conditions for Microgeneration

Price Adjustments and Riders

Electric Regulated Rate Option riders noted herein are provided for information and are not

intended to be part of the City of Lethbridge RRO Tariff. Adjustments and Riders retain specific approvals, effective periods and terms and conditions.

¹ Current Regulations as noted in Schedule C.

Definitions

Billing Period The period of time for which distribution rate calculations apply.

Cumulative Meter A metering device that measure system usage by continuously adding

current use to prior use. Current consumption is determined as the

difference between a current reading and a prior reading.

Customer Means the recipient of electric services.

Demand Meter Means the metering device used to determine Demand.

Distribution Access Means access to the City of Lethbridge Electric Distribution System.

Electric Service Area The area determined under the **Hydro and Electric Energy Act i**n which

the City of Lethbridge as owner of an electric distribution system may

distribute electricity.

Interval Meter Means a meter that measures, at intervals of 60 minutes or less, the

amount of electricity consumed, and satisfies the standards for revenue collection under the *Electricity and Gas Inspection Act* (Canada) and

the Weights and Measures Act (Canada).

kVA Means Kilovolt ampere and is the unit of measure used for Demand,

Contract Maximum, Contract Minimum and Contract Ratchet.

kWh Means Kilowatt-hour (one kilowatt of power supplied/taken for one hour)

and is the unit of measure used for System Usage.

LEU Means the Lethbridge Electric Utility owned and operated by the

City of Lethbridge and includes it directors, officers and

employees.

Losses Means allocated distribution losses.

Procurement Means the purchase of the RRO energy component

Regulated Rate

Option

Means the Tariff an owner of an electric distribution system must prepare for the purpose of recovering prudent costs for providing electric energy

services to eligible customers that are not enrolled with a retailer.

RFP Means a Request for Proposals

Risk Margin Means an addition to the RRO energy component price representing

LEU's direct exposure to energy volume risk, price risk, credit risk and

unaccounted for energy and losses.

Secondary Voltage Means the output of a load-supply City of Lethbridge Electric

Distribution Transformer.

Service Connection Means the point of connection to the City of Lethbridge Electric

Distribution System.

Single- Means a 3-wire connection point.

Phase

Three- Means a 4-wire connection point.

Phase

Transmission Access Means access to the Alberta Interconnected Electric System.

City of Lethbridge Electric Regulated Rate Option Rate Schedule Page 6 of 13

Unaccounted for Energy (UFE) Unmetered Means the difference between distribution system total load for an hour

sum of allocated hourly loads at the customer meters.

Means a Service Connection without a City of Lethbridge Electric

Utility provided metering device.

Electric Regulated Rate Option Rates

Rate Code RRO Description

- 791 **Standard Distribution Regulated Rate** for service metered through a single cumulative or demand meter.
 - Demand less than 12 kVA
- 792 **Medium Distribution Regulated Rate** for single-phase service metered through a single demand meter.
 - Rate Classification eligible customers as defined under RRO Regulation²
 - Annual consumption of 250 megawatt hours or less
 - Demand of 12 kVA or greater
- 794 **General Distribution Regulated Rate** for three-phase service metered through a single demand meter.
 - Rate Classification eligible customers as defined under RRO Regulation²
 - Annual consumption of 250 megawatt hours or less
 - Demand less than 150 kVA
- 795 **Dedicated Distribution Regulated Rate** for service through a dedicated three-phase connection at secondary voltage metered through a single demand meter.
 - Annual consumption of 250 megawatt hours or less
 - Demand of 150 kVA or greater and less than 300 kVA
- 798 **Public Lighting Regulated Rate** for unmetered municipally owned and provincial owned public lighting systems and individual customer subscribed unmetered security lighting.
 - Annual consumption of 250 megawatt hours or less
- 799 **Unmetered Regulated Rate** for unmetered service connections with small, consistent and predictable system usage. Rate also applicable to qualifying Rate Classification Customers under the Regulated Rate Option Tariff.
 - Annual consumption of 250 megawatt hours or less
 - For small, consistent and predictable system usage

² Current Regulations as noted in Schedule C.

Rate Code 791: Standard Distribution Regulated Rate

Service

Rate Classification eligible customers as defined under RRO Regulation³

Service connected within the City of Lethbridge electric service area

Metered through a single cumulative or demand meter

Demand less than 12 kVA

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate
 d) Transmission Access Rate
 e) Local Access Fee
 per Schedule B: Electric Distribution Rate
 per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

³ Current Regulations as noted in Schedule C.

Rate Code 792: Medium Distribution Regulated Rate

Service

Other Customer eligible customers as defined under RRO Regulation⁴

Single phase service connected within the City of Lethbridge electric service area

Metered through a single demand meter

Demand of 12 kVA or greater

Annual consumption of 250 megawatt hours or less

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate
 d) Transmission Access Rate
 e) Local Access Fee
 per Schedule B: Electric Distribution Rate
 per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

⁴ Current Regulations as noted in Schedule C.

Rate Code 794: General Distribution Regulated Rate

Service

Other Customer eligible customers as defined under RRO Regulation⁵

Three-phase service connected within the City of Lethbridge electric service area

Metered through a single demand meter

Demand less than 150 kVA

Annual consumption of 250 megawatt hours or less

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate
 d) Transmission Access Rate
 e) Local Access Fee
 per Schedule B: Electric Distribution Rate
 per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

⁵ Current Regulations as noted in Schedule C.

Rate Code 795: Dedicated Distribution Regulated Rate

Service

Other Customer eligible customers as defined under RRO Regulation⁶

Service connected within the City of Lethbridge electric service area

Connected through a dedicated three-phase service

Metered through a single demand meter

Demand of 150 kVA or greater and less than 300 kVA

Annual consumption of 250 megawatt hours or less

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate per Schedule B: Electric Distribution Rate
 d) Transmission Access Rate per Schedule B: Electric Distribution Rate
 e) Local Access Fee per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

⁶ Current Regulations as noted in Schedule C.

Rate Code 798: Public Lighting Regulated Rate

Service

Other Customer eligible customers as defined under RRO Regulation⁷

Service connected within the City of Lethbridge electric service area

Customer subscribed security lighting provided by the City of Lethbridge

Unmetered

Annual consumption of 250 megawatt hours or less

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate
 d) Transmission Access Rate
 e) Local Access Fee
 per Schedule B: Electric Distribution Rate
 per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

⁷ Current Regulations as noted in Schedule C.

Rate Code 799: Unmetered Regulated Rate

Service

Rate Classification eligible customers as defined under RRO Regulation⁸

Service connected within the City of Lethbridge electric service area

Unmetered

Service connections with small, consistent and predictable system usage

Annual consumption of 250 megawatt hours or less

Charges

a) Electric Energy Rate per Schedule A: RRO Electric Energy Price Plan

b) Administration Fee per Schedule D: Fees

c) Distribution Access Rate per Schedule B: Electric Distribution Rate
 d) Transmission Access Rate per Schedule B: Electric Distribution Rate
 e) Local Access Fee per Schedule B: Electric Distribution Rate

Application

The billing period is monthly

The City of Lethbridge Terms and Conditions of Electric Service, contained in the City of Lethbridge Electric Distribution Tariff Bylaw, apply to this rate

⁸ Current Regulations as noted in Schedule C.

Schedule Amended: December 9, 2021

Effective Date: January 1, 2022

Bylaw 6328

Schedule A: RRO Electric Energy Price Setting Plan

The City of Lethbridge Electric Utility RRO Electric Energy Pricing Plan undertakes to provide for the pricing of the electric energy component of the City of Lethbridge RRO Rate within the context of RRO Regulation⁹.

A1. Regulated Rate Option Energy Price Formula

The RRO energy price is established based on the following RRO Energy Price formula:

 $RRE_m = (PEP_m + RSL_m + UFE_m + RRM_m + ROC_m)$

m = month

 RRE_m = is the Regulated Rate Option energy price in \$/kWh (for month m).

 PEP_m = is the Procured Energy Price in \$/kWh (for month m). The Procured Energy Price is calculated on a weighted basis (procured energy versus forwards energy) as per the requirements of the current RRO Regulation.

 RSL_m = is the System Losses in \$/kWh (for month m)

 UFE_m = is the Unaccounted for Energy in \$/kWh (for month m)

 RRM_m = is the Regulated Rate Risk Margin in \$/kWh (for month m)

 ROC_m = is Other Costs for providing the Regulated Rate in \$/kWh (for month m)

A2. Regulated Rate Option Energy Price

The RRO energy price, RRE_m in the formula in A1 is calculated using the following factors:

⁹ Current Regulations as noted in Schedule C.

Period	Energy	System Losses	Unaccounted For Energy	Risk Margin	Other Costs
Current Month	(PEP)	(RSL)	(UFE)	(RRM)	(ROC)
	Schedule A3 Procurement Plan (A3)	Schedule A4 4.60%	Schedule A4 2.0%	Schedule A5 Pricing Plan	Schedule A6 Pricing Plan (A6)

DELETED

Bylaw 6410 - January 1, 2024

A3. Regulated Rate Option Energy Procurement Plan

The City of Lethbridge Electric Utility manages the RRO Energy Procurement Plan, which provides for the ongoing procurement of Electric Energy for the hedged or procured energy component of the RRO within the context of RRO Regulation. Future energy procurement will be managed through the City Managers' Office.

A4. System Losses and Unaccounted for Energy

System Losses and Unaccounted for Energy (UFE) are determined by the designated Load Settlement Agent. Losses represent energy that is lost through the process of transmitting and distributing electricity. UFE is the hourly difference between the distribution system total load, including allocated losses, and the sum of the allocated load over all customer meters.

System Losses and UFE are applied as a percentage of the Regulated Rate option electric energy procurement price for the forecast period.

¹⁰ Current Regulations as noted in Schedule C.

A5. Regulated Rate Option Risk Margin Plan

The City of Lethbridge Electric Utility Risk Margin Plan provides for the recovery of a margin on the procurement and sale of the electric energy component of the RRO within the context of the current RRO Regulation.

The risk margin represents the material risk that the amount of energy purchased under the procurement plan as well as other fixed costs will not be sufficient to cover the City of Lethbridge's actual costs of providing the Regulated Rate.

The RRO Risk Margin is determined based on energy volume risk, energy price risk and credit risk.

The Risk Margin is adjusted monthly as required to cover the City of Lethbridge's actual costs of providing the Regulated Rate for that month.

A6. Other Costs

Other costs to the City of Lethbridge for providing the Regulated Rate Option include the Power Pool trading fee, direct administrative, and external costs. Other costs are updated on an annual basis as required with formal notification to Council.

Other Cost	Description
AESO Energy Market Trading Charge	The AESO recovers the costs of operating the real-time energy market through an energy market trading charge on all electricity traded.
	In addition to the recovery of the AESO's operating costs, the energy market trading charge also includes charges from the Alberta Utilities Commission (AUC) and the Market Surveillance Administrator (MSA).
	The amount is set on a yearly basis by AESO and posted on their website.
	• \$0.3820/MWh or \$0.0003820/KWh

Administrative and External Costs	 The City of Lethbridge recovers the costs of managing the Regulated Rate Option. The amount is set after year-end financial statements have been finalized by Finance department \$1.7667/MWh or \$0.0017667/KWh
PILOT (Payment in Lieu of Tax)	 This is the amount that the municipal entity would be required to pay as tax for that year pursuant to: a) Parts I and I.3 of the Income Tax Act (Canada) and b) the Alberta Corporate Tax Act. Per Regulation AR 112/2003, as amended or replaced from time to time
	Payment is made to the Balancing Pool for the year.
	The amount is set after year-end financial statements have been finalized by Finance department.
	• \$0.6667/MWh or \$0.0006667/KWh
Total Other Costs	Other costs are the total of the above listed costs
	These costs are calculated on a per kWh basis for pricing of the monthly Regulated Rate Option"
	• \$2.8154/MWh or \$0.0028154

Bylaw 6328 – November 30, 2021

Schedule B: Electric Distribution Tariff Rates

The City of Lethbridge RRO Rate includes currently approved Distribution Rates (DT) and applicable City of Lethbridge Distribution Tariff (DT) Rate Riders as follows:

Rate Code	Rate	Electric Distribution Access Rate	Electric Transmission Access Rate	DT Rate Riders
791	Standard Distribution Regulated Rate	Rate 991	Rate 991	Riders A, B, and C per Current Distribution Tariff
792	Medium Distribution Regulated Rate	Rate 992	Rate 992	Riders A, B, and C per Current Distribution Tariff
794	General Distribution Regulated Rate	Rate 994	Rate 994	Riders A, B, and C per Current Distribution Tariff
795	Dedicated Distribution Regulated	Rate 995	Rate 995	Riders A, B, and C per Current Distribution Tariff
798	Public Lighting Regulated	Rate 998	Rate 998	Riders A, B, and C per Current Distribution Tariff
799	Unmetered Regulated Rate	Rate 999	Rate 999	Riders A, B, and C per Current Distribution Tariff

Distribution Tariff Rate Rider A: Local Access Fee (LAF) also referred to as a Municipal Consent and Access Fee (MCAF).

Distribution Tariff Rate Rider B: Balancing Pool Consumer Allocation Rider. Distribution Tariff Rate Rider C: Transmission Deferral Rider.

Schedule C: RRO Regulation

The City of Lethbridge undertakes to apply an Electric Regulated Rate Option as per Section 103 of Electric Utilities Act, S.A. 2003, c. E-5.1, and applicable Regulations.

ELECTRIC UTILITIES ACT, Alberta Regulation 262/2005 REGULATED RATE OPTION REGULATION, as amended or replaced from time to time

Access to current RRO Regulations is available through the Alberta Utilities Commission website (https://www.auc.ab.ca/pages/acts-and-regulations.aspx

Schedule D: Fees

City of Lethbridge Electric Utility RRO customers are subject to fees as per the current City of Lethbridge Electric Bylaw including Schedule D, and the City of Lethbridge Electric Distribution Tariff Bylaw.

Schedule E: Terms & Conditions of Regulated Rate Option

As per the City of Lethbridge Terms and Conditions of Electric Service contained in the City of Lethbridge Electric Distribution Tariff Bylaw