



Date of Meeting August 24, 2021

Subject Bylaw 6326 - Utility Deferral Adjustment - Electricity

Submitted By Jason Drenth, General Manager - Electric Utility

Presented By

Purpose

The Alberta Government created the Utility Payment Deferral Program Act in response to the pandemic in order to help customers that had trouble paying their electric bills. The time has now come to collect on payments that have not be collected back from the customers that enrolled in the program. Thus the Alberta Utilities Commission (AUC) has put in place Rule 034 – Utility Payment Deferral Program Billing, which is to be administrated by the Alberta Electric System Operator (AESO).

Recommendation(s)

1. That Council give first reading to Bylaw 6326, a Bylaw to set up the Rider for collection of the Utility Payment Deferral Program within the City of Lethbridge.

Summary

This is the creation of the Rider – Utility Deferral Adjustment – Electricity that will be charged to all City of Lethbridge Electric Distribution Tariff customers based upon a kilowatt-hour basis. The amount will be set by AESO and will expire by June 2022.

Strategic Alignment

Background and Prior Decisions

This Rider is the continuation of the Utility Payment Deferral Program as set out by the Alberta Government. The deferral period was from March 18th, 2020 until June 18th, 2020, then the repayment period was from June 19th, 2020 until June 18th, 2021. The program was for customers that could not paid their electric bills due to the pandemic and this gave them some relief to come up with a payment plan option as benefits rolled in from both the provincial and federal levels of government. In order to make sure that retailers did not carry the burden of this program, the Alberta Government came up with the

program and any deferral that could not be collected needed to be collected by the province as a whole. We are now entering the final stage of this program and the AUC/AESO are planning on charging a Rider to all customers for the final collection of deferred payments starting at the beginning of October 2021 and ending as soon as all collections have been covered or the latest until June 18, 2022 as that is when the Rule 034 expires.

Analysis and Options

There are no other options being put forth by the Alberta Government at this time. As a Wire Service Provider, we must comply with the direction of the Alberta Government on this program.

Implications

Community/Citizen

Each customer that receives a electric bill, no matter from which retailer, will see this new Rider on their invoice starting in the month of October 2021.

Financial

None

Risk

None

Corporate

None

Engagement

None

Implementation and Communication Plan

None

Attachment(s)

1. Bylaw 6326 – Utility Deferral Adjustment-Electricity

Approvals

A/City Treasurer: Darrell Matthews

City Solicitor: Brian Loewen

Department Director: Doug Hawkins

City Manager: Craig Dalton



Date of Meeting September 7, 2021

Subject Bylaw 6326 - Utility Deferral Adjustment - Electricity

Submitted By Jason Drenth, General Manager - Electric Utility

Purpose

The Alberta Government created the Utility Payment Deferral Program Act in response to the pandemic in order to help customers that had trouble paying their electric bills. The time has now come to collect on payments that have not be collected back from the customers that enrolled in the program. Thus the Alberta Utilities Commission (AUC) has put in place Rule 034 – Utility Payment Deferral Program Billing, which is to be administrated by the Alberta Electric System Operator (AESO).

Recommendation(s)

1. That Council give Second and Third reading to Bylaw 6326, a Bylaw to set up the Rider for collection of the Utility Payment Deferral Program within the City of Lethbridge.

Summary

This is the creation of the Rider – Utility Deferral Adjustment – Electricity that will be charged to all City of Lethbridge Electric Distribution Tariff customers based upon a kilowatt-hour basis. The amount will be set by AESO and will expire by June 2022.

Strategic Alignment

Background and Prior Decisions

This Rider is the continuation of the Utility Payment Deferral Program as set out by the Alberta Government. The deferral period was from March 18th, 2020 until June 18th, 2020, then the repayment period was from June 19th, 2020 until June 18th, 2021. The program was for customers that could not paid their electric bills due to the pandemic and this gave them some relief to come up with a payment plan option as benefits rolled in from both the provincial and federal levels of government. In order to make sure that retailers did not carry the burden of this program, the Alberta Government came up with the program and any deferral that could not be collected needed to be collected by the province as a whole. We are now entering the final stage of this program and the

AUC/AESO are planning on charging a Rider to all customers for the final collection of deferred payments starting at the beginning of October 2021 and ending as soon as all collections have been covered or the latest until June 18, 2022 as that is when the Rule 034 expires.

Analysis and Options

There are no other options being put forth by the Alberta Government at this time. As a Wire Service Provider, we must comply with the direction of the Alberta Government on this program.

Implications

Community/Citizen

Each customer that receives a electric bill, no matter from which retailer, will see this new Rider on their invoice starting in the month of October 2021.

Financial

None

Risk

None

Corporate

None

Engagement

City Council provided first reading: August 24, 2021

Implementation and Communication Plan

None

Attachment(s)

1. Bylaw 6326 – Utility Deferral Adjustment-Electricity

Approvals

A/City Treasurer: Darrell Matthews

City Solicitor: Brian Loewen

Department Director: Doug Hawkins

City Manager: Craig Dalton

BYLAW 6326

A BYLAW OF THE CITY OF LETHBRIDGE TO ESTABLISH A RIDER FOR
THE UTILITY PAYMENT DEFERRAL ADJUSTMENT PROGRAM FOR THE CITY OF LETHBRIDGE

WHEREAS the City of Lethbridge owns and operates a municipal electric distribution utility;

AND WHEREAS during the Covid-19 pandemic, many customers experienced financial hardship, and the Government of Alberta announced a utility payment deferral program on March 18, 2020 to defer utility bill payments (the "Deferred Payments") from March 18, 2020 to June 18, 2020 (the "Deferral Period") until June 19, 2020 to June 18, 2021 (the "Repayment Period");

AND WHEREAS some of the Deferred Payments have not been repaid during the Repayment Period;

AND WHEREAS any unpaid Deferred Payments that were not repaid during the Repayment Period must be collected from all electric customers within the Province of Alberta;

AND WHEREAS the AUC has approved the establishment of a rate rider for those service providers defined in the *Utility Payment Deferral Program Act*, S.A. 2020, U-4, section 2(1)(c)(i)-(iii);

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

1. This Bylaw shall be known as the "Utility Deferral Adjustment – Electricity Bylaw".
2. A Utility Deferral Adjustment – Electricity – Rider is established and is attached to this bylaw as Schedule "A".
3. This Bylaw comes into force and effect on the date of final reading.
4. This Bylaw will remain in effect until June 18, 2022.

READ A FIRST TIME this 24 day of AUGUST, A.D. 2021

C. A. Spear

MAYOR

D. Sawfield

CITY CLERK

READ A SECOND TIME this 7 day of September, A.D. 2021

C. A. Spear

MAYOR

Ben L. Lefel

CITY CLERK

READ A THIRD TIME this 7 day of September, A.D. 2021

C. A. Spear

MAYOR

Ben L. Lefel

CITY CLERK

SCHEDULE "A"

Utility Deferral Adjustment – Electricity

Background:

During the COVID-19 pandemic, people experienced economic hardships and were unable to pay their electric bills. The Government of Alberta established the Utility Payment Deferral Program, whereby electricity customers were able to defer the payment of certain amounts on their electricity bills from March 18, 2020 to June 18, 2020 until June 19, 2020 to June 18, 2021.

Due to the fact that not all deferred payments were repaid, the outstanding amounts need to be collected by the entire electric customers within the province of Alberta.

Purpose:

To collect from or refund to Electric Distribution Tariff Customers amounts as set by the rate charged by Alberta Electric System Operator (AESO).

Rule 034 from the AUC, states that an electricity service provider (as defined in the *Utility Payment Deferral Program Act*, S.A. 2020, c. U-4, s. 2(1)(c)(i)-(iii)) will add a Rider to all customer's bills, titled "**Utility Deferral Adjustment – Electricity**" or "**Utility Deferral Adjustment-E**".

Application:

Applicable to all City of Lethbridge Electric Distribution Tariff customers. This rider will be applied to consumers whether they are customers of a retailer, are on the regulated rate option or are a default supply customer.

This rider will be charged on a per kilowatt-hour basis.

The rate will adjust according to the rate set by AESO.

Effective:

Rule 034 was approved on June 29, 2021 with an effective date of June 30, 2021.

The rule expires on June 18, 2022

Metered Service Rate:

The charge per kilowatt-hour of metered energy (for each billing) will be determined by AESO, and will be posted on the City of Lethbridge Electric website as it becomes available

Unmetered Service Rate:

The charge per kilowatt hour of estimated energy determined for each billing period will be provided and calculated as per the Metered Service Rate.