



ENERGY REGULATORY REPORT

This monthly report summarizes matters under the jurisdiction of the Alberta Energy Regulator (“AER”), the Alberta Utilities Commission (“AUC”) and the Canada Energy Regulator (“CER”) and proceedings resulting from these energy regulatory tribunals. For further information, please contact a member of the [RLC Team](#).

Regulatory Law Chambers (“RLC”) is a Calgary based boutique law firm, specializing in energy and utility regulated matters. RLC works at understanding clients’ business objectives and develops legal and business strategies with clients, consistent with the legislative scheme and public interest requirements. RLC follows a team approach, including when working with our clients and industry experts. [Visit our website to learn more about RLC.](#)

IN THIS ISSUE:

Alberta Energy Regulator	2
AER Administration Fees (Industry Levy), AER Bulletin 2022-09.....	2
Orphan Fund Levy – Licensee Liability Rating and Oilfield Waste Liability Programs, AER Bulletin 2022-10	4
Orphan Fund Levy for Large Facilities, AER Bulletin 2022-11	4
Request for Information Regarding Cryptocurrency Mining Operations Associated With AER-Regulated Activities, AER Bulletin 2022-12	4
Update to Master Schedule of Standards and Conditions, AER Bulletin 2022-13.....	5
New Edition of Directive 020, AER Bulletin 2022-14	5
Increased Risk of Wildfire During Drier Seasons, AER Bulletin 2022-15.....	5
Monitoring for Snowmelt and Overland Flooding, AER Bulletin 2022-16.....	6
Alberta Utilities Commission.....	7
2079816 Alberta Ltd. Hanna Solar Project, AUC Decision 27178-D01-2022	7
Approval of Sale Bids for Isolated Generating Units Located at the Palisades Power Plant, AUC Decision 27248-D01-2022	8
Approval of Proposed Amended Section 103.5 of the ISO Rules, AUC Decision 27200-D01-2022	9
ATCO Electric Ltd. Decommission and Salvage of the Chipewyan Lake Power Plant, AUC Decision 27247-D01-2022	9
ATCO Gas and Pipelines Ltd. Franchise Agreement Renewal with the Town of Irricana, AUC Decision 27251-D01-2022	10
ENMAX Power Corporation and ENMAX Energy Corporation Amendments to the Code of Conduct Regulation Compliance Plan, AUC Decision 27110-D01-2022.....	11
EPCOR Distribution & Transmission Inc. 2022 Customer Specific Distribution Access Service Rate for New Customer CS48, AUC Decision 27187-D01-2022	12

ALBERTA ENERGY REGULATOR

AER Administration Fees (Industry Levy), AER Bulletin 2022-09*Facilities - New Fee Methodology*

On April 11, 2022, the AER announced the first set of administration fees calculated under the new methodology authorized by the Government of Alberta ("GoA") in 2019. Under this new methodology, the levy includes pipelines and facilities.

For 2022/23, the GoA approved a revenue requirement of \$200.7 million as necessary for the AER to support its operations.

The administration fees are divided by sector, as follows:

Sector	(\$000)	
	2022	2021
Oil and gas	142 157	149 778
Oil sands	45 004	50 818
Coal	8 571	6 996
Pipelines	3 453	n/a
Facilities (Directive 056)	1 385	n/a
Facilities (Directive 023)	160	n/a
Total	200 730	207 592

The AER noted that the amount of each 2022 invoice was determined with reference to the AER's revenue requirement, 2021 production volumes, the number and types of wells and schemes, the total length of pipelines on each class, facility inlet rates, and the number of operators in the sector.

Oil and Gas Sector

The administration fee in the conventional oil and gas sector is based on individual well production of oil and bitumen or gas and the number of inactive, service, and production wells for the year ended December 31, 2021.

All wells are classified into one of the ten following base fee classes set out in the *Alberta Energy Regulator Administration Fees Rules* ("AFR").

Class	Min. production (m ³ /yr)*	Max. production (m ³ /yr)	Base fee 2022/23
0	Inactive wells	Not applicable	\$42.00
1	Service wells	Not applicable	\$50.00
2	0.01	300	\$42.00
3	300.1	600	\$102.00
4	600.1	1 200	\$240.00
5	1 200.1	2 000	\$460.00
6	2 000.1	4 000	\$1 040.00
7	4 000.1	6 000	\$1 740.00

8	6 000.1	8 000	\$2 560.00
9	8 000.1	10 000	\$3 500.00
10	10 000.1	>	\$3 800.00

Alberta Upstream Petroleum Research Fund

The AER was requested to make use of its administration fee process to collect \$4 100 000 to fund the Alberta Upstream Petroleum Research Fund (“AUPRF”) in 2022. The AER has agreed to assist and has included an amount for this funding in the oil and gas well administration fee invoices. As a result, the adjustment factor used for invoicing has increased from 3.721143 to 3.827589. The AER is not involved in and does not make any decisions regarding how these funds are spent or to whom the funds are disbursed. Payment of the AUPRF is voluntary.

Oil Sands Sector

As shown in the table below, fees for the oil sands sector are levied in five categories based on operating information for the 2021 calendar year.

Category	Allocation (\$000)	Adjustment factor
Primary ongoing	6 242	4.232472
Thermal ongoing	13 168	2.334535
Thermal growth	4 181	5.695956
Mining ongoing	17 587	2.640234
Mining growth	3 826	12.528503
Total	45 004	

Coal Sector

The administration fee for coal is based on the mine’s share of total production volumes for the previous year. As specified in the *AFR*, the fee is set at \$0.861248 per tonne of coal.

Pipelines Sector

Pipeline segments subject to an administration fee are separated into the following classes, and an adjustment factor of 0.586598 is applied to each base fee. The adjustment factor ensures that the total administration fee collected for the sector satisfies the AER’s revenue requirement.

Class	Diameter (mm)	Base fee (\$)
A	<168.3	50.00
A (Discontinued)		25.00
B	≥168.3 and <609.6	60.00
B (Discontinued)		30.00
C	≥609.6	100.00
C (Discontinued)		50.00

Facilities (Directive 056) – Gas Plants

The administration fees are levied to gas plant facilities with an inlet rate of at least ten million cubic meters per day as of December 31, 2021, and an active, new, or unknown activity status. The rate is set at \$2.044546 for every thousand cubic meters per day and applied based on the individual facility inlet rate, as specified in the *AFR*.

Facilities (Directive 023) – Processing Plants

The administration fees are levied to processing plant facilities approved under the *Oil Sands Conservation Act* with an operating status as of December 31, 2021. The rate is set at \$3.071925 for each cubic meter per day and applied based on the individual facility inlet rate as specified in the *AFR*.

Orphan Fund Levy – Licensee Liability Rating and Oilfield Waste Liability Programs, AER Bulletin 2022-10 *Oil and Gas - Orphan Wells*

In accordance with Part 11 of the *Oil and Gas Conservation Act*, the AER prescribed an orphan fund levy of \$72 million to fund the operating budget of the Orphan Well Association (“OWA”) for 2022/23. The orphan fund levy will be allocated among licensees and approval holders included within the Licensee Liability Rating (“LLR”) and Oilfield Waste Liability (“OWL”) programs based on the April 2022 liability management rating assessment.

Each licensee or approval holder’s portion of the orphan fund levy is based on its licensed and approved properties as of April 2, 2022, according to AER records.

Orphan Fund Levy for Large Facilities, AER Bulletin 2022-11 *Oil and Gas - Orphan Wells*

In accordance with Part 11 of the *Oil and Gas Conservation Act* and *Directive 024: Large Facility Liability Management Program (LFP)*, the AER is prescribing an *LFP* orphan fund levy of \$6 million for the 2022/23 fiscal year to be issued in April of 2022. The levy will be allocated proportionately among licensees with facilities based on the facility-specific liability assessment. It will support the closure costs for large facilities in the *LFP* with licenses held by defunct licensees. Funds collected by the *LFP* orphan fund levy will go solely toward cleaning up *LFP* facilities of defunct licensees.

Request for Information Regarding Cryptocurrency Mining Operations Associated With AER-Regulated Activities, AER Bulletin 2022-12 *Compliance – Risk Mitigation*

The AER advised that it is aware of cryptocurrency mining operations running alongside AER-regulated activities. The AER is looking to better understand the situation and work with regulated parties to manage potential risks and ensure compliance and overall safety of AER-regulated operations. The AER requested that all regulated parties provide information related to current or future cryptocurrency mining operations associated with their sites.

Site Safety

AER-regulated parties must adhere to the spacing requirements set out in *Directive 056: Energy Development Applications and Schedules*, including the location of any flame type equipment, exhausts, or sources of ignitable vapours relative to third-party activities on site. Should an incident occur with third-party operation equipment or infrastructure that affects or has the potential to affect AER-regulated oil and gas activities, the AER-regulated parties must notify the AER in accordance with the requirements in *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*.

Public Land Dispositions

Dispositions to conduct AER-regulated activities on public land are specific to those activities. Additional activities require their own dispositions, even if being carried out near to or at the same location as an AER-regulated activity.

Produced Gas Consumption

Cryptocurrency mining operations that consume gas produced by AER-regulated activities are considered consumers, even if the third-party operation is owned or operated by the same entity that produced the gas. The AER regulates delivery point measurement and reporting of produced gas by AER-regulated parties. When gas produced by AER-regulated activities is delivered to consumers, the AER-regulated party must ensure that it is measured and reported as sales gas in accordance with *Directive 017: Measurement Requirements for Oil and Gas Operations* and *Directive 007: Volumetric and Infrastructure Requirements* and that royalties are paid on the gas volumes delivered to third-party operations.

Update to Master Schedule of Standards and Conditions, AER Bulletin 2022-13 *Application Requirements*

On April 21, 2022, the AER announced that effective May 5, 2022, the *Master Schedule of Standards and Conditions* ("MSSC") would be updated to align with the *Alberta Grizzly Bear Recovery Plan*.

Draft applications submitted after May 5, 2022, require updated variances for standards that are identified in the application. Applicants are encouraged to maintain a copy of variance information for replacement in the draft application for submission.

New Edition of Directive 020, AER Bulletin 2022-14 *Regulatory Requirements - Well Abandonment*

On April 25, 2022, the AER released a new edition of *Directive 020: Well Abandonment*. Regulatory requirements unique to this directive have been numbered. The following sections were clarified:

- section 2.2 regarding AER notification;
- sections 5.1.3 and 5.5.1.2 regarding remedial cementing of porous intervals and protected intervals; and
- sections 5.3 and 5.4 regarding the setting of a permanent bridge plug and permanent packer.

Appendices 2 and 3 were removed. Licensees can see appendices 2 and 3 of *Directive 087: Well Integrity Management* for suggested procedures for testing gas migration and surface casing vent flow.

Increased Risk of Wildfire During Drier Seasons, AER Bulletin 2022-15 *Fire Season - Directive 060*

In this bulletin, issued on April 26, 2022, the AER noted that the wildfire season in Alberta is from March 1 to October 31. Since the oil and gas industry is susceptible to fire across all regions of the province, with most industry-related fires occurring from April to June, licensees were reminded that the risk of brush and grass fires increases significantly during the wildfire season.

The AER reminded licensees that proactive fire control measures should be in place, including acquiring and maintaining fire suppression equipment and having an emergency response plan that includes wildfire prevention and preparedness and response. Emergency planning must address FireSmart and fire prevention issues. Approved burn and brush piles should be separated to verify they are fully extinguished.

As oil and gas facility flare systems are a fire ignition source due to carbon buildup, the AER reminded operators to adhere to a preventive maintenance schedule for flare stacks and to AER *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* and Alberta's *Forest and Prairie Protection Act*.

Monitoring for Snowmelt and Overland Flooding, AER Bulletin 2022-16
Flood Awareness - Risk Mitigation

On April 27, 2022, the AER issued Bulletin 2022-16, stating that the Rocky Mountain snowmelt occurs each year between April and June, which, combined with rainfall from large weather systems that occurs in Alberta in late May and early June, may cause overland flooding. The AER reminded licensees of their responsibility to take appropriate precautions to ensure public safety and environmental protection by minimizing the potential operational impacts because of these hazards.

Licensees must be aware of the potential for site and equipment damage from flooding and physically inspect and assess any sites and equipment that have been affected or may potentially be affected. The AER noted that licensees should have procedures to monitor for snowmelt and flood advisories and be prepared to take the necessary steps to protect their operations.

ALBERTA UTILITIES COMMISSION**2079816 Alberta Ltd. Hanna Solar Project, AUC Decision 27178-D01-2022***Solar Power - Facilities*

In this decision, the AUC approved the application from 2079816 Alberta Ltd., as general partner of PACE Canada LP, to construct and operate the Hanna Solar Project, a 13-megawatt solar power plant (the "Project"), and to connect the Project to the ATCO Electric Ltd. ("AE") distribution system.

Application

The Project will be constructed on 120 acres of private land southeast of the town of Hanna, Alberta. The Project consists of an array of solar panels and racking systems, electrical inverters, and pad-mount transformers and further includes access roads, electrical collector systems, distribution interconnection equipment, communications, telecommunications equipment, and other ancillary equipment. The Project is expected to come into service on December 9, 2022.

AUC Findings

The AUC determined that the application complied with the information requirements set out in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*.

The predicted results for the project's solar glare were premised upon the use of an anti-reflective coating applied to the project solar panels. The AUC, therefore, imposed the following conditions of approval:

- (a) 2079816 Alberta Ltd. shall use an anti-reflective coating on the Project's solar panels; and
- (b) 2079816 Alberta Ltd. must file a report detailing any complaints or concerns it receives or is made aware of regarding solar glare from the Project during its first year of operation, including 2079816 Alberta Ltd.'s response to the complaints or concerns.

Alberta Environment and Parks ("AEP")'s renewable energy referral report concluded that the project would have an overall low risk to wildlife and wildlife habitat, provided that impacts are effectively mitigated during construction, operation, and decommissioning of the Project. The AUC expressed its expectation that 2079816 Alberta Ltd. will adhere to and implement the mitigation measures contained in its renewable energy project submission report to AEP.

The AUC noted that a stand-alone, project-specific environmental protection plan and the Project's initial renewable energy operations conservation and reclamation plan were not submitted with the application. Therefore, 2079816 Alberta Ltd. was directed to file a stand-alone, project-specific environmental protection plan and the initial renewable energy operations conservation and reclamation plan no later than one month before construction is scheduled to begin.

2079816 Alberta Ltd. was further directed to file annual post-construction monitoring survey reports in accordance with Rule 033: *Post-approval Monitoring Requirements for Wind and Solar Power Plants* with AEP and the AUC.

As a final direction, the AUC required 2079816 Alberta Ltd. to file a final Project update once equipment selection and the Project layout are finalized to confirm that the Project has stayed within the final Project update specified allowances for solar power plants.

The AUC determined that approval of the Project is in the public interest, in accordance with s. 17 of the *Alberta Utilities Commission Act*, having regard to the social, economic, and other effects of the Project, including its effect on the environment.

AUC Decision

Pursuant to ss. 11 and 18 of the *Hydro and Electric Energy Act*, the AUC approved the applications to construct and operate the Project and to connect it to the AE distribution system.

Approval of Sale Bids for Isolated Generating Units Located at the Palisades Power Plant, AUC Decision 27248-D01-2022

Facilities - Sale Offering

In this decision, the AUC granted the application from ATCO Electric Ltd. (“AE”) for approval of the sale bids received for asset packages 2, 3, 4, 5, and 10, which comprise isolated generating units located at the Palisades Power Plant. Consistent with the AUC’s determinations in Decision 26078-D01-2021, the isolated generating units were bundled and offered for sale by ATCO Electric in 11 separate asset packages.

Introduction and Background

On September 18, 2019, the AUC approved the Palisades Power Plant sale offering as filed in Decision 24598-D01-2019. It directed AE to proceed with the sale offering in accordance with the approved sale proposal.

AE thereafter filed an application under s. 8 of the *Alberta Utilities Commission Act* and s. 18 of the *Isolated Generating Units and Customer Choice Regulation* (“IGUCCR”) requesting approval to amend the sale offering approved in Decision 24598-D01-2019. The AUC approved the application and directed AE to proceed with the sale offering according to Sale Process B, which was one of two alternative sales processes proposed by AE in the application. Under Process B, AE would dismantle and bundle the isolated generating units into 11 asset packages. AE would sell each asset package separately, and bidders would be permitted to submit separate bids on one or more of the packages.

In this proceeding, AE applied for approval of the sale bids for five of the 11 asset packages under s. 21 of the *IGUCCR*.

AUC Findings and Decision

Under s. 21(1)(b) of the *IGUCCR*, if more than one bid is received in respect of an isolated generating unit referred to in the sale offer, the AUC must accept the highest bid and, by order, approve the sale of that isolated generating unit. If only one bid is received, the AUC is required to accept the bid and, by order, approve the sale of that isolated generating unit.

AE received single bids for the following asset packages:

- A bid in the amount of \$27,320 from Surplus Diesel Generators Ltd. for asset package 4;
- A bid in the amount of \$100,000 from Don Markowski for asset package 5; and
- A bid in the amount of \$5,000 from Don Markowski for asset package 10.

AE received multiple bids for the following asset packages:

- Bids in the amount of \$50,000 and \$11,200 from Don Markowski and Surplus Diesel Generators Ltd., respectively, for asset package 2; and
- Bids in the amount of \$101,000 and \$100,000 from Cogent Turbine Solutions Ltd. and Don Markowski, respectively, for asset package 3.

The AUC approved the highest bids in accordance with s. 21 of the *IGUCCR* and directed AE to complete the sale of Palisades Power Plant asset packages 2, 3, 4, 5, and 10 as expeditiously as possible.

Approval of Proposed Amended Section 103.5 of the ISO Rules, AUC Decision 27200-D01-2022
ISO Rules - Net Settlement Instruction

In this decision, the AUC approved amendments to s. 103.5 of the *Independent System Operator (“ISO”) Rules, Net Settlement Instruction*, as submitted by the Alberta Electric System Operator (“AESO”).

Introduction

A net settlement instruction allows the AESO to perform netting of metered energy to calculate power pool settlements. The registration of a net settlement instruction may affect the amount of financial security that a pool participant is required to provide to the AESO.

The AESO proposed amendments to s. 103.5 that require pool participants without adequate financial security, in place (as determined by s. 103.3 of the *ISO Rules, Financial Security Requirements*) to provide 15 business days’ notice to the AESO if they wish to de-register a net settlement instruction. The AESO submitted that the amendment will provide the AESO with sufficient time to request and obtain additional financial security from a pool participant or to exercise its rights and remedies under s. 103.7 of the *ISO Rules, Financial Default and Remedies*.

Issues

Do the rule amendments meet the criteria set out in the Electric Utilities Act

The AUC may approve the proposed amendments if the requirements of s. 20.21 of the *Electric Utilities Act (“EUA”)* are met.

The AUC determined that, as required by s. 20.21, the proposed amendments are not technically deficient, support the fair, efficient and openly competitive operation of the market to which it relates, and are in the public interest.

Did the AESO fulfill its obligation to adequately consult with stakeholders

The AESO argued that it had met its consultation obligations as set out in ss. 4 and 5 of Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*. The AESO submitted that its consultation process included any party interested in, or that may be directly affected by the proposed amendments to s. 103.5. All members of the consultation group had sufficient opportunity to make submissions on the proposed amendments.

The AUC was satisfied that the requirements set out in Rule 017 regarding information and consultation had been met.

AUC Decision and Order

Pursuant to subsection 20.21(1)(a) of the *EUA*, the AUC approved the proposed amendment to s. 103.5 of the *ISO Rules, Net Settlement Instruction*, to be effective 30 days after April 7, 2022.

ATCO Electric Ltd. Decommission and Salvage of the Chipewyan Lake Power Plant, AUC Decision 27247-D01-2022*Facilities - Salvage*

In this decision, the AUC approved the application from ATCO Electric Ltd. (“AE”) to decommission and salvage the Chipewyan Lake Power Plant (the “Power Plant”). The AUC denied the request from AE to remove the isolated generating units from the schedule of generating units in the *Isolated Generating Units and Customer Choice Regulation (“IGUCCR”)*.

Application

AE is the owner of the Power Plant located northwest of Chipewyan Lake. The Power Plant contains three diesel generating units and has a generating capability of 581 kilowatts. AE filed the application for approval to decommission and salvage the Power Plant pursuant to s. 21 of the *Hydro and Electric Energy Act* (“HEEA”). In addition, under s. 27 of the *IGUCCR*, AE requested to remove the three generating units from Part B of the schedule of generating units.

AUC Findings

The AUC reviewed the application and determined that the information requirements specified in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines* were met. The AUC also determined that AE’s participant involvement program satisfied the requirements of Rule 007.

The AUC was satisfied that the environmental impacts of the decommission and salvage of the Power Plant will result in remediation and reclamation of the Power Plant site to an acceptable degree and that the temporary project noise will comply with Rule 012.

The AUC approved the decommissioning and salvage of the Power Plant pursuant to s. 21 of the *HEEA* without making any determination regarding the regulatory treatment of the costs for the removal, retiring, or abandonment of the assets, including any associated rate implications. The AUC found that the Power Plant is no longer needed because the Chipewyan Lake community is now connected to the Alberta Interconnected Electric System. The AUC determined that approval of the application is in the public interest having regard to the social, economic, environmental, and other effects of the Power Plant.

The AUC denied the request to strike the units from any part of the schedule of generating units as it determined that this request was premature. AE has not decided about the sale of the units at the time of the application. If AE decides not to sell, two of the units would be deemed to be struck from Part A of the schedule on the date that decision is made, in accordance with s. 26(4) of the *IGUCCR*. If AE decides to sell the units, the units would be struck from the schedule in the future, in accordance with ss. 20(1)(c) or 22(2) of the regulation.

ATCO Gas and Pipelines Ltd. Franchise Agreement Renewal with the Town of Irricana, AUC Decision 27251-D01-2022

Franchise Fee - Continuation

In this decision, the AUC approved the application from ATCO Gas and Pipelines (“AGP”) for approval of a natural gas franchise agreement with the Town of Irricana (“Irricana”). The franchise agreement will be in effect for ten years as of April 1, 2022.

Proposed Franchise Agreement Renewal and Franchise Fee

AGP filed the application according to Rule 029: *Applications for Municipal Franchise Agreements and Associated Franchise Fee Rate Riders*. The proposed franchise agreement is based on the standard natural gas franchise fee agreement template approved in Decision 20069-D01-2015 and is a renewal of the current franchise agreement between Irricana and AGP.

AGP’s proposed franchise fee of 11.18 per cent does not exceed the AUC’s rate cap of 35 per cent. As a result of the fee, residential customers in Irricana will continue to pay an average monthly charge of \$6.59. Prior to any change in the level of the franchise fee pursuant to the franchise agreement, customers shall be notified as outlined in s. 6 of Rule 029.

Pursuant to s. 45 of the *Municipal Government Act* and s. 49 of the *Gas Utilities Act*, the franchise agreement was approved as filed.

ENMAX Power Corporation and ENMAX Energy Corporation Amendments to the Code of Conduct Regulation Compliance Plan, AUC Decision 27110-D01-2022
Code of Conduct Compliance Plan Amendments

In this decision, the AUC approved the application from ENMAX Power Corporation and ENMAX Energy Corporation (collectively, "ENMAX") to amend its *Code of Conduct Regulation* ("CCR") compliance plan ("Compliance Plan").

Application

In this application, filed pursuant to subsection 32(2) of the CCR, ENMAX applied for approval of changes to its Compliance Plan to incorporate the requirement to retain records for the purposes of an AUC audit as set out in s. 40 of the CCR; and changes to how it provides information to customers regarding the complaint process for contraventions of the CCR.

Changes to the Code of Conduct Regulation Compliance Plan

On March 31, 2021, the AUC issued Bulletin 2021-06: *Repeal of Rule 030: Compliance with the Code of Conduction Regulation*. S. 28, which required parties under the regulation to maintain records, was removed as part of the amendments following the repeal.

The AUC determined that, notwithstanding the amendments to the CCR and repeal of Rule 030, it would need parties to retain specific records to allow the AUC to continue to effectively carry out compliance audits. As a result, the AUC issued a letter on July 12, 2021 (the "Direction Letter") introducing specific provisions to the CCR compliance plans, obligating parties to retain records for the purposes of audits.

The AUC found that the amendments to the compliance plan filed by ENMAX met the requirements detailed in the Direction Letter. However, the AUC determined that it is preferable to use an appendix rather than incorporating changes to various sections of the compliance plan, as proposed by ENMAX. As a result, the AUC directed ENMAX to incorporate the following changes to its compliance plan:

- (a) Under s. 40 – Compliance Audit, Policy: ENMAX will retain all code of conduct compliance records listed under Appendix A for at least three years.
- (b) The AUC may amend Appendix A to the Compliance Plan from time to time on notice, and absent a registered objection, the proposed changes to the appendix will take effect within ten business days from the date of the notice.
- (c) Appendix A – List of code of conduct compliance records.
 - a. internal reporting documents including internal compliance assessment, Compliance Committee / Board minutes, compliance reports to Board;
 - b. training materials;
 - c. record of training;
 - d. compliance acknowledgements;
 - e. on-boarding / off-boarding processes and documentation;
 - f. record of employee transfers;
 - g. employee/contractor listing;

- h. customer consent to disclose information;
- i. customer enrollment records;
- j. promotional materials;
- k. IT security reports, including system access rights reports or system change reports where applicable;
- l. agreements and contracts;
- m. record of cost allocation and transactions between regulated and unregulated business units, divisions, or affiliated entities; and
- n. audited financial statements, including annual financial statement audit reports.

ENMAX also proposed the removal of specific mechanisms under s. 34.0 – Information About Complaints. Under this section, ENMAX Energy Corporation is required to include a notice on its utility bills that states complaints regarding alleged contraventions of the CCR may be made to the AUC or the Market Surveillance Administrator.

The AUC determined that providing information about how to report an alleged contravention of the CCR on the ENMAX external website and removing the requirement to include this information through an annual notice on customer bills, as proposed by ENMAX, is a reasonable amendment and that doing so will provide clarity to customers regarding this matter. Accordingly, this proposed amendment was also approved.

AUC Order

Pursuant to subsection 32(3) of the CCR, the AUC approved the changes to the ENMAX CCR Compliance Plan, subject to the changes directed by the AUC.

EPCOR Distribution & Transmission Inc. 2022 Customer Specific Distribution Access Service Rate for New Customer CS48, AUC Decision 27187-D01-2022 ***Electricity - Rates***

In this decision, the AUC approved a customer specific (“CS”) distribution access service (“DAS”) rate for a new customer (“CS48”) of \$73.01 per day, charged by EPCOR Distribution & Transmission Inc. (“EPCOR”).

Introduction and Background

EPCOR requested the rate in response to the new connection of a customer with an energy demand of 5,000 kilowatts (“kW”) or greater. EPCOR calculated the rate of \$73.01 using the methodology approved in past applications to calculate or update CS rates, most recently in Decision 26619-D01-2021.

As directed by the AUC in Decision 21700-D01-2016, in this CS rate application, EPCOR included the CS rate calculation, details of the calculation, supporting schedules, and information on whether any assets were required to provide standby service to the customer under the CS rate.

Calculation of the 2022 CS48 Rate

EPCOR determined the CS rate using the cost-of-service calculation. The calculation considers three components: (i) incremental equipment and installation activities; (ii) cost of existing assets to provide service; and (iii) allocated operating maintenance and general (“OM&G”) costs.

AUC Findings and Decision

The AUC reviewed the calculations and applied methods and determined that EPCOR's calculations are consistent with those previously approved by the AUC. The AUC approved the proposed CS48 rate of \$73.01 per day as it found the proposed rate to be reasonable. The CS48 will be trued up to reflect the 2022 actual cost of debt when it becomes available. The rate will come into effect on June 1, 2022.

The AUC noted that approval of this application does not authorize EPCOR to recover any amount payable by the customer in the event of default or bankruptcy. EPCOR was further directed to true up any differences if the effective date for the CS48 rate differs from June 1, 2022.