

December 14, 2022

Re: Establishment of a deferral account pursuant to the *Regulated Rate Option Stability Act*

ACTION REQUIRED – Deadline for Response: December 21, 2022

Dear owner of an electric distribution system,

The Government of Alberta recently proposed new legislation entitled the *Regulated Rate Option Stability Act* (Act). We write to inform you of your obligations under the Act. Please read this letter carefully as, in the event the Act is enacted, **a response from you is required no later than December 21, 2022.**

As you may know, the Act would provide for the deferral of a portion of the energy charge to RRO customers for the period of January 1, 2023 to March 31, 2023 (Deferral Amount). The Act would require each owner¹ (Owner) to establish a deferral account with the approval of the appropriate “reviewing agency” on or before December 23, 2022, for the purposes of administering the recovery of the Deferral Amount in the recovery period between April 1, 2023 and December 31, 2024. The Market Surveillance Administrator (MSA) would be the reviewing agency for your organization.

Section 2 of the Act would require that, beginning on January 1, 2023 and ending on March 31, 2023, an Owner shall determine the electric energy charge using the lower of:

- the applicable monthly rate per kWh determined in accordance with the owner’s RRO rate energy price setting plan; or
- 13.5 cents per kWh.

Your entity is an Owner within the meaning of the proposed Act, so the obligations set out above would apply to you.

The MSA has attached a Deferral Account Establishment Declaration Filing (Filing) for completion and submission to the MSA, which is also available on the MSA’s website [here](#). Your submission of a signed and completed Filing will constitute your application for the approval of a deferral account pursuant to section 4.2(1) of the proposed Act.

¹ An owner has the meaning as defined in the *Regulated Rate Option Regulation (AR 262/2005)*.

In the event the Act is enacted, **you are required to return a signed and completed Filing to the MSA by the end of day December 21, 2022.** The MSA will provide emailed notice to you when the Act is enacted and the requirements in this letter become binding.

Filings should be submitted by email to InformationRequests@albertamsa.ca.

For any questions or further clarification please contact Mark Zanewick at mark.zanewick@albertamsa.ca or (825) 712-3375.

Sincerely,

/s/ Derek Olmstead

Chief Executive Officer