

# Rule 023

# Rules Respecting Payment of Interest



This rule as amended was approved by the Alberta Utilities Commission on February 22, 2022, and is effective March 1, 2022.

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## **1 Application**

These rules apply to outstanding balances; adjustments of rates, tariffs, tolls or charges; and any other costs that are subject to the Commission's jurisdiction.

## **2 Definitions**

In these rules:

- (a) "Bank of Canada policy interest rate" means the interest rate established by the Bank of Canada for setting the target for the overnight interest rate.
- (b) "Commission" means the Alberta Utilities Commission.

## **3 Payment of interest**

- (1) The Commission may approve the payment of interest on an outstanding balance; adjustment of rates, tariffs, tolls or charges; or other cost on its own initiative or in response to a request.
- (2) To be eligible for the payment of interest:
  - (a) a balance must be outstanding for a period of not less than 12 months prior to a request for the payment of interest; and
  - (b) the minimum amount of the forecast aggregate change on an outstanding balance; adjustment of rates, tariffs, tolls or charges; or other cost shall be the greater of +/- \$1,000,000 or +/- three per cent of the original balance.
- (3) Interest will be calculated from the date the balance, adjustment or cost is outstanding using simple interest at the Bank of Canada policy interest rate plus 1¾ per cent, unless otherwise directed. The rate will be calculated on a per annum basis.
- (4) Any request for the payment of interest on an outstanding balance, adjustment or cost must include the interest calculations to the Commission for review.