



**Bulletin 2024-01: Emergency Billing Relief Program (EBRP)  
Rule Development  
Received: February 6, 2024**

**Responses of ATCO Electric and ATCO Gas (collectively ATCO)  
to the Alberta Utilities Commission's (Commission) Inquires**

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**Table of Contents**

**General Feedback**..... 1  
**Administrative Challenges** ..... 1  
**Uncertain Customer Relief** ..... 4  
**Conclusion** ..... 5  
**Responses to the Commission’s Inquiries** ..... 6

On February 6, 2024, the Alberta Utilities Commission (Commission) issued Bulletin 2024-01, inviting stakeholder feedback on the 2023 Emergency Billing Relief Program (EBRP) to inform potential development of a new rule regarding an ongoing program. In 2023, ATCO Gas and ATCO Electric (collectively 'ATCO') were significantly impacted by the 2023 EBRP. Thousands of customers were impacted by the unprecedented wildfire season across ATCO's service territory and, as a result, ATCO issued over 15,000 credits. ATCO appreciates the opportunity to provide comments on its experience in the development process of a potential new rule.

### **General Feedback**

ATCO acknowledges how impactful and distressing emergency situations are to its customers, especially in circumstances that require evacuation orders. In general, ATCO remains supportive of meaningful, transparent, and timely emergency billing relief for customers who experience prolonged displacement due to mandated evacuations. However, in ATCO's view, the 2023 EBRP failed to provide relief in an efficient and effective manner.

Prior to addressing the specific questions in Bulletin 2024-01, ATCO will summarize the challenges experienced with the EBRP in 2023 during the wildfire season and provide some context surrounding customer outcomes. In ATCO's view, there are methods of providing relief to parties affected by disasters that would be less burdensome to process and provide more timely and meaningful relief to affected customers. ATCO recommends an informal meeting or technical session that includes the AUC, Distribution Facility Owners (DFOs), and Retailers to discuss the issues encountered when executing the EBRP and discuss opportunities for improvement.

### **Administrative Challenges**

ATCO undertook a significant amount of administrative burden to implement the 2023 EBRP in accordance with guidelines provided in the 2023 EBRP Manual. In particular, creating and validating the list of sites that would be eligible for credits was especially

burdensome. ATCO spent in excess of 400 labour hours administering the program over a timeframe that far exceeded the emergency events that elicited the program in 2023. The issues ATCO encountered were largely due to data integrity issues and billing system constraints.

Data Integrity: The best source of wildfire evacuation information is the Alberta Emergency Alerts (AEA) website. However, the quality of information coming from the AEA website could not consistently be relied upon and, in some cases, ATCO was required to spend considerable time validating and modifying data. The AEA presents evacuation data and provides a text description of the evacuation boundaries, as well as a GIS boundary shown on a map. ATCO extracted the boundaries from the AEA map and used this information in our internal GIS systems to determine which sites were affected. In some cases, the boundary polygons did not align with the text description of the evacuation area and needed to be adjusted and, in other cases, some sites had multiple evacuation events to be considered. There were situations where a site would have multiple evacuation orders before it received an end date or sites that had multiple non-overlapping evacuations. The variety of scenarios and complexity of the data required ATCO to perform additional quality checks on the data set – a task that was not straightforward. Creating and fine tuning the data set proved to be a labor-intensive and time-consuming task and required collaboration across multiple departments.

ATCO encountered four evacuation events that had shown no end-dates on the AEA website. The polygons capturing these evacuation events included 18,000 sites. ATCO engaged with the AUC multiple times over the course of several months seeking guidance on appropriately crediting these sites. The AUC, on behalf of ATCO, engaged with the Government of Alberta for clarification. After the extensive engagement, ATCO was encouraged to seek out 3<sup>rd</sup> party and informal sources of information to determine evacuation end dates. This process proved to be burdensome as these informal sources can easily conflict and are not reliable. There is also uncertainty as to which party holds the authority to end an evacuation order, in particular on land designated as reserve land for First Nations. This added complexity makes determination of evacuation end dates

even more difficult. Due to the noted data integrity issues, and the resulting significantly manual nature of the processes required to address the issues, there is risk for human error. In ATCO's view, there is a likelihood for inaccuracies and customers may not be fairly credited for the time they were evacuated.

In addition to managing the source data to determine eligibility for the relief program and due to the extensive timeframe, ATCO also had to validate and cross reference the data multiple times as ATCO encountered customers who had switched retailers in the middle of the processes. To ensure site specific information was not shared with the incorrect retailers ATCO had to undertake additional data validation steps.

*Billing System Constraints:* Considering that acquiring an accurate list of impacted sites is difficult, it is also important to understand that the billing systems in use today are not designed to provide credits in real-time. Credits are applied to accounts as one-time credits calculated once the evacuation ends, but the systems are not designed to process these credits in bulk, while accounting for the variety of factors included in a bill. Fixed charges, variable charges, riders, franchise fees, municipal property taxes, and carbon taxes had to be manually tracked and audit trails created so that revenue could be balanced appropriately. These additional steps and using specialized IT services to process the 2023 credits resulted in ATCO incurring additional costs in excess of \$50,000.

The complexity of processes involved with issuing the credits, even when sites are known, limits how useful the credits can be to customers. Even when the evacuation information is of high quality, the processing involved takes time. In 2023, ATCO received direction from the AUC in August. For sites where evacuation information was complete, ATCO was able to apply credits in October and customers received credits on their November bills. Sites with no evacuation end-date listed on the AEA website had credits applied in February 2024 with customers receiving credits in February and March 2024.

## **Uncertain Customer Relief**

ATCO's interpretation of the intent for the EBRP was to provide customers financial relief while enduring prolonged displacement due to emergency evacuations. Due to the challenges and constraints experienced, customers are not able to see relief within a reasonable timeline which, in ATCO's view, should be immediately following emergency events to be most meaningful to impacted customers. Even in a scenario where accurate data is readily available, ATCO's systems limit the timeliness of customer credits.

The average credit applied to a customer's bills amounted to approximately \$28 for ATCO Gas customers and \$100 for ATCO Electric with some customers receiving credits for less than \$10. In ATCO's view, for some customers, the magnitude of relief was not substantial enough to be effective and justify the level of burden to administer. The criteria should be revisited to ensure that the program provides meaningful relief.

The program also failed to meet the criteria of providing relief to customers because the credits were so far detached from the actual event. It is important to note that any relief for customers is eventually recovered by DFOs through increases in distribution charges. Essentially, any amount of relief provided to customers increases their rates in the future, further limiting the effectiveness of the relief program. In addition, ATCO notes that if franchise taxes are not reduced by the credits, it would result in franchise taxes being collected twice: once per original billing and then, again, through the increased future distribution charges.

Lastly, the EBRP manual states that "For 30 days after the end of a billing-relief period, retailers are encouraged to not pursue credit collection, de-energization or de-enrollment of outstanding amounts for impacted sites." In practice, encouraging retailers to refrain from issuing de-energizations related to non-payment did not prevent retailers from issuing de-energizations.

## **Conclusion**

Respectfully, ATCO submits that the level of manual, administrative burden does not warrant the limited relief for customers especially considering the diminished impact to customers due to the extended timeframe the program takes to administer. There are other solutions, such as providing all evacuees a fixed reimbursement per day displaced that would be more effective and less burdensome to administer. A fixed reimbursement program could also be administered by the Government of Alberta as opposed to DFOs. This would meet the criteria of being timely by avoiding the delays required to administer credits using currently available systems. If the program continues to be administered by the impacted DFO, ATCO submits there is likely a need to increase its workforce to dedicate resources to the administration of the program and incremental costs to upgrade its billing system to meet the system requirements to effectively process the necessary transactions. ATCO reiterates its recommendation for a working session with all Stakeholders to aid in the development of a sustainable and effective program.

## **Responses to the Commission's Inquiries**

In the event the Commission determines that the best course of action is establishing a new rule to provide electric and natural gas utility billing relief for emergency evacuations, the following is ATCO's response to the specific inquiries in Bulletin 2024-01.

**1. What costs should be eligible for recovery as part of an emergency billing relief program?**

Consistent with past customer relief programs, all credited or deferred Distribution charges, Transmission charges and impacted Riders, including carbon tax should continue to be eligible for recovery, but not all will be recovered as part of the EBRP.

ATCO is of the view that credits related to Distribution charges and carbon tax should continue to be recovered through the Y Factor mechanism as part of the Annual PBR Rates Adjustment filing, while credits related to Transmission charges and Riders should continue to be recovered through the appropriate Rider mechanisms that are currently in place (for ATCO Gas: Riders T, L and W and for ATCO Electric: Riders B, G, and S). Finally, Franchise taxes should be applied against net Distribution and Transmission charges (i.e., after the credits are applied) so that Franchise tax recovery follows collection of future Distribution and Transmission charge recovery.

ATCO notes that the application of the credits to all Riders ensures that the base distribution charges that determine rider collections are not double counted over multiple periods. However, ATCO also notes that this results in a reduction in franchise revenue for impacted municipalities. ATCO acknowledges the municipalities impacted are also inherently impacted by the emergency circumstances warranting the EBRP. ATCO does not have a specific proposal to address this issue, but is supportive of exploring methodologies that are not overly burdensome to address this issue.

In addition, “reasonable costs incurred to administer such credits” should continue to be recovered by utilities. Specifically, ATCO submits that incremental costs, e.g., incremental IT or, if necessitated, contract labour resources or overtime costs incurred to process credits, and to track evacuation events should be eligible for recovery (through the Y Factor) as part of the EBRP. Depending on the outcomes of this and future engagements, ATCO may find incremental labour resources and system upgrades are required to effectively administer the program and, should the need arise, these costs should be included in future determinations of Revenue Requirement.

### **2. What costs should be excluded?**

In ATCO’s view, no costs should be excluded from the application of the relief credits, and no incremental costs associated with administering the program should be excluded from recovery through a future Y Factor. ATCO is not proposing recovery of non-incremental labour costs; however, it should be recognized that any internal labor supporting the EBRP would, as a result, not be performing other value activities that benefit customers and/or ATCO’s ongoing operations.

### **3. What is the best source of information regarding evacuations?**

Ideally, the Alberta Emergency Alerts (AEA) website is the best location to provide the information, but the quality of information provided should be improved. There are cases where the polygons on the website do not line up with the text describing the evacuation boundaries and, in other cases, the evacuation periods do not include end-dates. These situations result in increased administrative burden to find accurate information to use when determining which sites have been impacted sites. ATCO resolutely does not support any suggested solution that directs utilities to rely on informal, uncontrolled 3<sup>rd</sup> party data sources regarding evacuations. Additional effort, on behalf of the Province, to improve the quality of the information

available on the AEA website would result in one consistent source of information that can be relied upon.

**4. What considerations exist to extend the 2023 EBRP to emergency events beyond wildfires (e.g., floods or other natural disasters)?**

Subject to addressing the issues surrounding the administration of the EBRP and that the required data is readily available, applying the existing process to other types of emergency events necessitating evacuation orders is reasonable.