



talk about electricity

June 2009

The Regulated Rate Option (RRO) – A Closer Look

In 2005, the Government of Alberta announced a new Regulated Rate Option (RRO) for electricity. From 2006 to 2010, short and long-term market prices of electricity will be used to set the RRO.

July 2005 to June 2006

Previous process

Utilities put together yearly electricity purchasing plans (that included long-term prices) for regulated service, which were then submitted to the regulator for review and approval. These were adjusted on a quarterly basis.



July 2006 to June 2007

80% previous process + 20% new RRO

At most, 80% of the energy required for regulated customers was purchased under the previous process (usually long-term electricity prices) and at least 20% was based on the new RRO – the next month's projected market price of electricity.



July 2007 to June 2008

60% previous process + 40% new RRO

At most, 60% of the energy required for regulated customers was purchased under the previous process (usually long-term electricity prices) and at least 40% was based on the new RRO – the next month's projected market price of electricity.



Fall 2007 to Spring 2008

Government conducted a review of the RRO and determined that appropriate consumer protection is in place during the transition period.

July 2008 to June 2009

40% previous process + 60% new RRO

At most, 40% of the energy required for regulated customers was purchased under the previous process (usually long-term electricity prices) and at least 60% was based on the new RRO – the next month's projected market price of electricity.



July 2009 to June 2010

20% previous process + 80% new RRO

At most, 20% of the energy required for regulated customers will be purchased under the previous process (usually long-term electricity prices) and at least 80% will be based on the new RRO – the next month's projected market price of electricity.



Fall 2009 to Spring 2010

Government will conduct a second review to determine the effectiveness of the transition to the new RRO.

July 2010 and on

100% new RRO

Assuming there are no changes, 100% of the electricity required for regulated customers will be purchased under the new RRO – the next month's projected market price of electricity. Consumers will see monthly fluctuations in their electricity prices.





talk about electricity

Transition to the New RRO

The chart below illustrates how the transition to the new RRO will occur.

Transition to the New RRO

