



# talk about electricity

June 2010

## 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 were 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 was in place during the transition period.*

### July 2008 to June 2009

#### 40% previous process + 60% new RRO

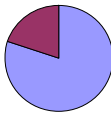
At most, 40% of the energy required for regulated customers was purchased under the previous process (usually long-term electricity prices) and at least 60% was based on the new RRO – the next month's projected market price of electricity.



### July 2009 to June 2010

#### 20% previous process + 80% new RRO

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



### Spring 2010

*Government conducted a second review and again determined that appropriate consumer protection was in place to continue the transition.*

### July 2010 and on

#### 100% new RRO

100% of the electricity required for regulated customers will be purchased under the new RRO – the next month's projected market price of electricity. The regulated rate continues to be an option for Albertans—there is no end date.

