

gas returns filing system and associated process were still in draft stage, TRA asked meeting participants not to circulate the presentation materials after the meeting.

Natural Gas Return to be filed by distributors:

- TRA staff presented to the group a proposed process for how Treasury Board and Finance would be handling Natural Gas Returns, which would be filed by gas distributors once the carbon levy is in effect.
- As noted by TRA staff, a Natural Gas registration form should be available on its website by late September / early October 2016. Once the form is made available, gas distributors are required to submit a completed registration form, by mail or fax only, to the TRA for registration processing. TRA staff indicated, however, that registration forms would not be processed until the *Natural Gas Billing Regulation* is passed sometime in late October or early November, 2016. Once the regulation is passed, distributors can then submit the registration form.
- The TRA's secured system (TRACS) is an electronic system that distributors will use to file their natural gas returns with Treasury Board and Finance. Once a distributor's natural gas registration form has been processed, gas distributors will then be inputted into the TRA's internal database. Two confirmation letters will be sent back to gas distributors confirming the registration. One letter indicating that the distributor's registration form has been processed and they can now enroll in the TRACS system, and another letter containing the secure pin that should be used by a distributor to enroll in the TRACS system.
- TRA staff indicated that distributors will be required to file their natural gas returns by the 28th day of the following month (e.g., a return for the month of September will have to be filed using the TRACS system by October 28).

Natural Gas Reimbursement filing for retailers:

- Retailers asked the TRA if they had any details to provide on how Treasury Board and Finance would be handling Natural Gas Reimbursement filing for retailers once the carbon levy is in effect. In addition, parties also asked whether the TRA could provide details regarding what type of information the draft return form entailed and filing timelines.
- TRA staff confirmed that retailers would have to apply for bad debt write-offs using a separate form, and that they intend on following a similar process used by distributors for filing natural gas returns. However, because there were other decisions that needed to be made regarding the carbon levy by the TRA, it was noted that details about retailer forms were not available at this time and were still at the developmental stage. TRA staff advised that it would be taking a staged approach for implementing retailer forms.
- As noted in previous meetings, retailers again stressed the urgency of receiving the details about what reporting information will be required by the government and the timelines around retailer reporting as soon as possible. This is because retailers need to develop their billing and financial reporting systems correctly and concurrently with other changes required for the carbon levy implementation, as well as have processes in place for payment allocation. More importantly, retailers must have their systems setup to extract carbon levy amounts on every customers' bill starting from January 1, 2017, in order to ensure proper reporting to the TRA even if the actual reporting will start at a later date.
- The TRA advised that it would call a meeting with retailers to go through the process and the system of how to file the return. It is anticipated to have a meeting in late October, 2016.

Exemption certificates:

- An update was provided to the group regarding exemption certificates as it applies to specified gas emitters (Specified Gas Emitters, Production Processes, Raw materials / Diluent / Solvent):

- Those applicants who believe they meet the exemption criteria as stated in the *Climate Leadership Act* will be required to apply to the TRA for an exemption certificate. The TRA is currently working on creating an application form for customers to use when applying for an exemption certificate.
- The TRA will review the exemption applications, and if an applicant meets the exemption criteria, the TRA will issue an exemption certificate to the applicant, who will then present this to its natural gas retailer.
- Should a natural gas retailer be presented with an exemption certificate from its customer, the retailer will use the information from the exemption certificate to send the carbon levy exempt (CLE) transaction to notify the distributor about a change in a customer's carbon levy exempt status. In return, the distributor will use the carbon levy exempt notification (CLN) transaction to notify the retailer that the status has been changed accordingly.
- Retailers asked for clarification in the case where a customer is using biomethane for a portion of its process or for offsets. how will the provincial carbon levy apply. DOE staff advised that it had formed a group to discuss such issues and retailers interested to join should send DOE staff an email.
- TRA staff clarified with the group that the exemption certificate process mentioned above would not apply to First Nations or Federal government. This was a change from previous discussions, as it was understood that the exemption certificate process would encompass Federal government buildings, which is no longer the case.
- As previously instructed, First Nations exemptions will follow the GST exemption requirements. DOE staff encouraged parties to check with their internal legal counsel to ensure that the requirements for how to handle GST exemptions are clearly understood.
- TRA staff indicated that questions or suggestions regarding the TRA's presentation on the draft carbon levy return filing system can be sent directly to TRA.CarbonLevy@gov.ab.ca.

4 Draft proposed changes to AUC Rule 004

- AUC staff presented a summary table of proposed changes to AUC Rule 004. Each change was discussed and all stakeholders supported and agreed to the following changes:
 - a. Addition of Appendix B – VL trader to be consistent with AUC Rules 021 and 028
 - b. Addition of Table Reference IDs 15 and 16 in Table 4-1
 - c. Re-arrangement of the CLE field sequence as suggested by Direct Energy
 - d. CLE Element Sequence 8, Exempt Reason Code, Char(3) will remain unchanged
 - e. Addition of new Component Code 5008 – provincial carbon levy in Table A5-16
 - f. Addition of new Dispute Code 7015 – provincial carbon levy dispute in Table A5-22
 - g. Addition of Table A5-25 Carbon levy transaction status codes for transaction status explanation
 - h. Table 4-8 Tariff charge record content, a new component unit price will be applied (in element sequence 17) and will be used to calculate the provincial carbon levy charge. The words “or the provincial carbon levy on natural gas” was added in the description column in Element Sequence 17.
- AUC staff advised that the additional changes discussed at the meeting would be captured in the final version of Rule 004. Further, AUC staff advised that it would be seeking Commission approval for changes to Rule 004 by the end of September 2016.

- ATCO Gas staff noted that it will not be able to send the CLN transaction back to a retailer when the following two carbon levy exempt transaction status codes:
 - 2624 – Invalid number of fields in the transaction
 - 2630 – Transaction Date Time filed invalid – format, length.

In the event that a transaction file fails for either one of the reasons mentioned above, ATCO Gas will send a CLE-R transaction. ATCO Gas noted that neither of these failures will have the associated status codes, as the status codes apply once the file and transactions pass initial VL-Trader validations and can be processed. All other CLE transactions accepted or failed will generate a CLN response file.

5 Timelines – testing and implementation

- AltaGas Utilities and ATCO Gas jointly presented a test plan with various test scenarios of testing the CLE and CLN transactions.
- Given the short time allowance, it was agreed that it would not be feasible to conduct market-wide testing. Instead, it was suggested that distributors and retailers issue test files to the AUC and the AUC would re-distribute all test files to retailers for testing purposes. Following the meeting, AUC staff sent an email dated September 8, 2016, regarding the carbon levy implementation – test files, and requested that industry participants deliver completed scenarios and file examples to regulatorypolicy@auc.ab.ca by Wednesday, November 16, 2016.
- In the interim and prior to November 16, 2016, AUC staff will send out the website link (for test files) as soon as it is up and running.
- Retailers and distributors agreed to populate the test results from different test scenarios and compare notes during a stakeholder meeting in November 2016.

6 Other

- Stakeholders asked the DOE staff if for implementing the name of the municipality for the Municipality Franchise Fee field on the bill there will be an implementation period, as January 1, 2017, implementation date, will present a concern for retailers. DOE staff advised that the regulation will most likely pass by October and at that point more information will be available. Also, DOE staff advised that it will present this concern to the government and if there are more such concerns, retailers should contact the DOE.