

HOW TO CHOOSE A UTILITY RATE

Electricity and natural gas rate options for Albertans



Alberta

Utility customers in Alberta may have options for utility rates

Default rates

Default rates are offered by default retailers. Consumers will only have one default electricity and natural gas retailer in their area. Default rates are reviewed and approved by the Alberta Utilities Commission (AUC).

Electricity



kWh

Price per Kilowatt-hour

The Rate of Last Resort (RoLR)

The RoLR is a stable rate for electricity consumers. The rate is updated every two years.

Natural Gas



GJ

Price per Gigajoule

Default Rate Tariff

The Default Rate Tariff for natural gas fluctuates monthly with the market conditions.

Competitive rates

Competitive rates are offered by competitive retailers. Depending on the consumer location in the province, they may have several competitive retailers to choose from. To receive a competitive rate, the consumer must sign a contract. Competitive rates are set by the retailer. Competitive retailers offer:

Fixed rates

Choosing a fixed rate is sometimes known as “locking in” a utility rate. This type of rate offers a set price per kilowatt-hour (kWh) of electricity and/or per gigajoule (GJ) of natural gas for the duration of the utility contract.

Remember, a fixed rate does not mean that consumers will pay the same amount each month. A monthly utility bill can be higher or lower depending on the amount of energy consumed.

Variable rates

Variable rates are also known as floating rates. This rate is based upon the wholesale price plus the transaction fee. Variable rates fluctuate monthly depending on market conditions. Generally, the balance between energy supply and energy demand determines the market price.

Micro-generation rates

Micro-generation rates are available to consumers who have been approved to be micro-generators by their distributor and the AUC.

How to choose a rate

When deciding between a default rate, fixed rate, or variable rate, it's important for consumers to review their own personal circumstances and make a choice that works best for them.

Default rates offer consumers with limited or poor credit history access to utility services. These rates are reviewed and approved by the AUC.

Fixed rates can help consumers budget monthly utility payments, and can protect consumers from market fluctuations.

Variable rates allow consumers to save money when utility rates decrease.

Some competitive retailers offer an option to switch between fixed and variable rates within the same contract term. It is always a good idea to ask the retailer if they have this option.

Tip: Consumers can monitor utility rates by checking out historic rates and the default rates.

Competitive retailers offering fixed and variable rates may occasionally offer promotions. It's important that consumers understand the terms and conditions of the promotion and what the rates will be once the promotion has ended.



Tip: Some retailers will allow consumers to switch to a lower fixed rate if one becomes available. Check with the retailer to see if this is an option.

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