



EPCOR Energy Alberta Inc.

Application to Adjust RRT Rates to Reflect the
Impact of the 2009 Generic Cost of Capital Decision

March 12, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-111: EPCOR Energy Alberta Inc.
Application to Adjust RRT Rates to Reflect the
Impact of the 2009 Generic Cost of Capital Decision
Application No. 1605815
Proceeding ID. 465

March 12, 2010

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**EPCOR ENERGY ALBERTA INC.
APPLICATION TO ADJUST RRT RATES TO
REFLECT THE IMPACT OF THE
2009 GENERIC COST OF CAPITAL DECISION**

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Application No. 1605815
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1 INTRODUCTION AND BACKGROUND

1. On January 22, 2010, EPCOR Energy Alberta Inc. (EPCOR) filed an application (Application) with the Alberta Utilities Commission (AUC or the Commission) requesting approval to adjust its Regulated Rate Tariff (RRT) rates to reflect the impact of the 2009 Generic Cost of Capital Decision.¹

2. In the Application, EPCOR had requested that the Commission issue orders approving the following:

- an adjustment amount of \$0.085 million, arising from the differences in the equity ratio and return on equity (ROE) approved in Decision [2008-031](#)² and those approved in Decision [2009-216](#); and
- approval for EEAI to collect the \$0.085 million as an adjustment to its non-energy charge, over a three-month period from April 1, 2010, to June 30, 2010.

3. Notice of the Application was issued on January 26, 2010 and a Statement of Intent to Participate (SIP) was filed by the Consumers' Coalition of Alberta (CCA) on February 9, 2010. The CCA indicated in its SIP that it accepted the calculations provided by EPCOR in the Application, but noted that the costs sought for recovery appeared immaterial.

4. In the interim, on February 8, 2010, the Commission issued Decision [2010-055](#)³ (Review Decision) regarding EPCOR's request for review and variance of Decision 2008-031. In the Review Decision, the Commission found that the Alberta Energy and Utilities Board had, in Decision 2008-031, awarded EPCOR a significantly lower RRT non-energy return as compared to the other regulated rate service providers. The Commission found that an adjustment to EPCOR's RRT non-energy return was necessary and awarded EPCOR additional RRT non-energy return margins for each of 2007, 2008 and 2009.

5. On March 8, 2010, EPCOR filed a letter (Withdrawal Request) stating that it wished to withdraw the Application, which had been premised on the use of the rate of return method set out in Decision 2008-031 for 2009.

¹ Decision 2009-216: Generic Cost of Capital (Application 1578571, ID 85) (Released: November 12, 2009)

² Decision 2008-031: EPCOR Energy Alberta Inc. 2007-2009 Regulated Rate Tariff Non-Energy Charge (Application 1512342) (Released: April 30, 2008).

³ Decision 2010-055: EPCOR Energy Alberta Inc. Review Hearing on Alberta Energy and Utilities Board Decision 2008-031, 2007-2009 Regulated Rate Tariff Non-Energy Return (Application 1577836, Proceeding ID. 174) (Released February 8, 2010).

2 WITHDRAWAL OF THE APPLICATION

6. The withdrawal of an application or a submission is governed by section 21 of the Commission's Rule 001: *Rules of Practice*. Pursuant to subsection 21(2) of the Commission's *Rules of Practice*, the Commission may, with or without a hearing, grant an application to withdraw an application on any terms that it considers appropriate.

7. In the Withdrawal Request, EPCOR stated that it had participated in the Generic Cost of Capital proceeding to ensure that, in the event the Commission denied EPCOR's request for review and variance of Decision 2008-031, an appropriate ROE and capital structure would be determined for EPCOR for 2009.⁴ At the time EPCOR filed this Application, the Review Decision had not yet been issued.

8. The Commission finds that in light of the Commission's findings in Decision 2010-055, the current Application has been rendered moot and is no longer required. The Commission therefore grants EPCOR's Withdrawal Request.

⁴ Generic Cost of Capital, Proceeding ID. 85, EPCOR Evidence dated November 20, 2009, page 2.

3 ORDER

9. IT IS HEREBY ORDERED THAT:

- (1) EPCOR Energy Alberta Inc.'s request to withdraw its application to adjust RRT rates to reflect the impact of the 2009 Generic Cost of Capital Decision is granted.
- (2) Application No. 1605815/Proceeding ID. 465 is hereby closed.

Dated on March 12, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Willie Grieve
Chair

(original signed by)

Bill Lyttle
Commissioner

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative
EPCOR Energy Alberta Inc. P. Wong D. Tenney
Consumers' Coalition of Alberta J. A. Wachowich A. P. Merani

Alberta Utilities Commission
Commission Panel W. Grieve, Chair B. Lyttle, Commissioner N. A. Maydonik, Q.C., Commissioner
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