ENMAX Power Corporation

2014 Annual Transmission Access Charge Deferral Account True-up

November 20, 2015
Alberta Utilities Commission
Decision 20754-D01-2015
ENMAX Power Corporation
2014 Annual Transmission Access Charge Deferral Account True-up Proceeding 20754

November 20, 2015

Published by the:
Alberta Utilities Commission
Fifth Avenue Place, Fourth Floor, 425 First Street S.W.
Calgary, Alberta
T2P 3L8

Telephone: 403-592-8845
Fax: 403-592-4406

Website: www.auc.ab.ca
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1 Introduction

1. On August 20, 2015, ENMAX Power Corporation filed an application with the Alberta Utilities Commission requesting approval of its 2014 annual transmission access charge deferral account (TACDA) true-up by way of a TACDA Rider.

2. On August 24, 2015, the Commission issued a notice of application that required interested parties to submit a statement of intent to participate (SIP) by September 8, 2015. In their SIPs, parties were to provide a description of their interest in the proceeding, an explanation of their positions including information in support of the position, and submissions as to whether further process would be required. The Commission received a SIP from the Consumers’ Coalition of Alberta (CCA).

3. In its letter dated September 10, 2015, the Commission determined that the application would be considered by way of a basic written process proceeding as described in Bulletin 2015-09.1 The Commission established the following process schedule:

<table>
<thead>
<tr>
<th>Process step</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information requests (IRs) to ENMAX</td>
<td>September 24, 2015</td>
</tr>
<tr>
<td>Responses to IRs by ENMAX</td>
<td>October 8, 2015</td>
</tr>
<tr>
<td>Submissions on need for additional process steps</td>
<td>October 15, 2015</td>
</tr>
</tbody>
</table>

4. The Commission did not receive any submissions on the need for additional process steps from parties by the designated deadline. In its letter dated October 23, 2015, the Commission indicated that it required additional information in order to make a determination regarding the application and issued another round of IRs to ENMAX. As directed, ENMAX filed its responses on October 29, 2015.

5. In its letter dated October 30, 2015, the Commission indicated that the record for this proceeding closed on October 29, 2015.

6. In reaching the determinations set out within this decision, the Commission has considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission’s reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

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1 Bulletin 2015-09, Performance standards for processing rate-related applications, March 26, 2015.
2 Background

7. All electric distribution companies accessing the electric transmission system in the province are charged by the Alberta Electric System Operator (AESO) for transmission services provided in relation to customers in their distribution service areas. The purpose of ENMAX’s annual TACDA true-up application is to ensure that the revenues collected through its transmission access charges in a year recover the AESO tariff charges that ENMAX pays to the AESO in that year.

8. Because ENMAX was subject to cost-of-service regulation in 2014, in accordance with the findings in Decision 2014-347, its TACDA operated as a price-only deferral account that reconciled forecast to actual variances related to the AESO price changes. Under this arrangement, if the AESO changes its rates, ENMAX is kept whole across its forecast volumes through a deferral account. However, ENMAX bears the risk that billing determinants, including metered energy, customer load, and peak demand, may be lower or higher than forecast.

9. On September 26, 2014, the Commission held a consultation meeting to discuss the harmonization of the content and schedules for the annual TACDA true-up applications with invited participants which included the distribution facility owners (DFOs), the CCA, the Office of the Utilities Consumer Advocate and the AESO. ENMAX’s 2014 annual TACDA true-up application is based on the harmonized framework, reflective of the consultation meeting discussion, as approved by the Commission in Decision 3334-D01-2015.

3 Details of the application

10. ENMAX applied for a net collection of $3,796,899. The components of the 2014 TACDA true-up amount included in the application are listed in Table 1:

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3 Decision 2014-347, paragraph 1001.
5 Exhibit 20754-X0004, application, Table 1, page 4.
Table 1. Components of the 2014 TACDA true-up amount

<table>
<thead>
<tr>
<th>Component</th>
<th>True-up amount collection/(refund) ($)</th>
<th>Methodology to attribute the true-up amount to rate classes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012 TACDA rider true-up</td>
<td>877,582</td>
<td>Determined as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class.</td>
</tr>
<tr>
<td>2013 TACDA rider true-up (November to December portion)</td>
<td>94,142</td>
<td>Determined as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class.</td>
</tr>
<tr>
<td>2014 quarterly TACDA riders reconciliation</td>
<td>2,925,316</td>
<td>Determined as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class.</td>
</tr>
<tr>
<td>2014 transmission access charge deferral true-up</td>
<td>(242,563)</td>
<td>AESO costs are allocated to rate classes based on the last approved distribution tariff Phase II allocations that consider both energy and non-energy charges.</td>
</tr>
<tr>
<td>AESO deferral account reconciliation (DAR) true-up</td>
<td>0</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>2014 Balancing Pool true-up</td>
<td>0</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Carrying costs</td>
<td>142,422</td>
<td>Allocated to the rate classes in proportion to the actual energy consumed by rate class.</td>
</tr>
<tr>
<td>2014 TACDA true-up</td>
<td>3,796,899</td>
<td>Calculated as the sum of the preceding items.</td>
</tr>
</tbody>
</table>

11. ENMAX proposed to collect its 2014 TACDA true-up amount by way of a TACDA Rider to be in effect from January 1, 2016 to March 31, 2016.\(^7\)

4 2014 TACDA true-up amount and TACDA Rider rate

4.1 Calculation of the true-up amount

12. The components of the 2014 TACDA true-up amount listed in Table 1 are described in this section. Table 1 includes the true-up of two previous riders related to the AESO charges, the true-up of amounts arising from the various 2014 AESO charges (i.e., the 2014 quarterly TACDA riders reconciliation and 2014 transmission access charge deferral true-up, AESO DAR true-up, and Balancing Pool true-up), and carrying costs associated with those amounts.

Previous TACDA riders true-up

13. The purpose of deferral account rider true-ups is to ensure that the amounts actually collected or refunded in total equal the amounts approved by the Commission. In its application, ENMAX requested a true-up of the 2011-2012 TACDA Rider and the November to December portion of the 2013 TACDA Rider, as set out in Table 1 above.


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\(^6\) Exhibit 20754-X0003, compiled from various schedules.

\(^7\) Exhibit 20754-X0004, application, paragraph 8 (VIII).


\(^9\) Decision 2013-377, paragraph 53.
ENMAX actually received $15.428 million\(^{10}\) in revenues through this rider, requiring a collection of approximately $0.878 million.

15. In Decision 2014-292,\(^{11}\) the Commission approved collection of ENMAX’s 2013 TACDA Rider, in the amount of $3.503 million, from November 1, 2014 to January 31, 2015.\(^{12}\) In this application, ENMAX proposed to true-up the November to December 2014 portion of this rider. ENMAX calculated the total approved collection for this portion to be $2.338 million, while the actual revenue collected was $2.244 million, requiring a collection of approximately $0.094 million.\(^{13}\)

16. ENMAX determined the true-up amounts associated with reconciliation of the 2014 quarterly TACDA riders for each rate class as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class.

Reconciliation of 2014 quarterly TACDA riders and 2014 transmission access charge deferral true-up

17. The purpose of these two items is to reconcile the price component of the transmission access revenue received by ENMAX from its customers to the transmission access costs paid to the AESO in 2014. In accordance with Decision 2014-347, the reconciliation is based on forecast billing determinants and maintains the price-only nature of ENMAX’s TACDA.\(^{14}\) Accordingly, rather than comparing its total system access service (SAS) costs and the actual revenue received from customers, which would constitute a dollar-for-dollar true-up, ENMAX determined the difference between forecast billing determinants at forecast prices and the forecast billing determinants at actual prices, resulting in a price-only transmission access charge deferral true-up and revenue true-up of the quarterly TACDA riders from 2014.\(^{15}\)

18. In Schedule 3.0 of the harmonized schedules template, ENMAX provided its price-only transmission access charge deferral true-up for 2014, resulting in a net refund of $0.243 million, as shown in Table 1. In an IR, the Commission questioned why this reconciliation did not include amounts collected through ENMAX’s SAS rates or reflect the full amount of 2014 SAS costs. ENMAX explained that it purposefully excluded all revenue collected via SAS rates from the deferral true-up calculations in order to reconcile only the price variance amounts included in its transmission access charge deferral true-up. Similarly, ENMAX indicated that it did not reflect the full amount of its 2014 AESO SAS charges in its application but instead provided only the charges included in the transmission access charge deferral true-up amounts.\(^{16}\)

19. ENMAX nevertheless provided an updated version of Schedule 3.0,\(^{17}\) reflecting the full amount of AESO SAS costs incurred and revenues received through both SAS rates and quarterly riders. However, in the updated schedule, ENMAX removed all variances related to

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\(^{10}\) Exhibit 20754-X0003, Schedule 2.0, Excel line 66.


\(^{12}\) Decision 2014-292, paragraphs 37 and 43.

\(^{13}\) Exhibit 20754-X0003, Schedule 2.0, Excel line 78.

\(^{14}\) Decision 2014-347, paragraph 1001.

\(^{15}\) Exhibit 20754-X0016, AUC-EPC-2015SEP24-005 b).

\(^{16}\) Exhibit 20754-X0016, AUC-EPC-2015SEP24-005 c).

\(^{17}\) Exhibit 20754-X0014, AUC-EPC-2015SEP24-005 d) Attachment, Schedule 3.0.
volume to ensure the price-only nature of the reconciliation, consistent with the determinations in paragraph 1001 of Decision 2014-347.

20. ENMAX performed the revenue reconciliation of the 2014 quarterly TACDA riders in Schedule 2.0. The sum of the quarterly rider reconciliation amounts is a collection amount of $2.925 million.\(^{18}\)

21. The true-up amounts associated with the reconciliation of the 2014 quarterly TACDA riders were determined for each rate class as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class. With respect to the 2014 transmission access charge deferral true-up, and consistent with previously approved methodology,\(^{19}\) ENMAX allocated the AESO costs based on the last approved distribution tariff Phase II allocations that consider both energy and non-energy charges.\(^{20}\)

**AESO DAR true-up**

22. Under Section 14(3) of the *Electric Utilities Act*,\(^{21}\) “[t]he Independent System Operator must be managed so that, on an annual basis, no profit or loss results from its operation.” Accordingly, any variances arising between the actual costs the AESO incurs and the forecast amounts, recovered through its rates based on forecast volumes, are refunded to or recovered from market participants by way of the AESO DAR, typically undertaken on an annual basis.\(^{22}\) In turn, the DFOs flow through these collections or refunds to customers in their service areas. ENMAX did not receive any AESO DAR invoices in 2014 such that no reconciliation of the AESO DAR amount was required in this application.

**Balancing Pool true-up**

23. Under provisions of the *Electric Utilities Act*, each year the Balancing Pool is required to forecast its revenues and expenses to determine any excess (or shortfall) of funds. Based on this forecast, the Balancing Pool determines an annualized amount that will be refunded to (or collected from) electricity consumers over the year, “… so that no profit or loss results, after accounting for the annualized amount under section 82(7) as a revenue or expense of the Balancing Pool.”\(^{23}\) This amount, known as the consumer allocation, applies to all market participants who receive system access service from the AESO, and is recovered through Rider F of the AESO tariff. The consumer allocation is based on the amount of electric energy consumed annually. In 2014, the Balancing Pool refunded a consumer allocation of $5.50 per megawatt hour (MWh).\(^{24}\)

24. ENMAX indicated that in Decision 2013-445,\(^{25}\) the Commission approved its 2014 Balancing Pool rider effective January 1, 2014 as a $0.005643 per kilowatt hour (kWh) credit for all applicable rate classes. ENMAX explained that because its TACDA operated as a price-only

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\(^{18}\) Exhibit 20754-X0003, Schedule 2.0, sum of the deferral amounts in the four quarters of 2014.

\(^{19}\) Exhibit 20754-X0003, Schedule 3.0, footnote 1.

\(^{20}\) Most recently approved in Decision 2014-292.

\(^{21}\) Exhibit 20754-X0003, Schedule 3.0, footnote 1.


\(^{23}\) http://www.aeso.ca/tariff/21968.html.

\(^{24}\) *Electric Utilities Act*, Section 85(1)(j).


deferral account in 2014, the company accepted the volume forecast risk in 2014. Accordingly, no Balancing Pool true-up amounts were included in the application.26

Carrying costs

25. ENMAX calculated carrying costs on outstanding amounts related to the true-up balances in accordance with Rule 023: Rules Respecting Payment of Interest. The rate used was the Bank of Canada monthly bank rate plus 1.5 per cent. The total carrying costs amounted to a collection of approximately $0.142 million.27

26. In response to an IR, ENMAX explained that it did not calculate weighted average interest rates in the months in which the interest rates changed because the harmonized schedules template referenced a “Bank of Canada Monthly Rate,” because ENMAX had previously used a Commission approved carrying cost methodology which did not rely on a weighted average interest rate;28 and because of immateriality.

27. ENMAX allocated carrying costs to rate classes in proportion to the actual energy consumed by rate class from January 1 to December 31, 2014. In an IR, the Commission explored this methodology, which in some circumstances requires rate classes to pay a collection for carrying costs even though their outstanding balances indicate they should receive a refund. The Commission sought ENMAX’s view on whether allocating carrying costs based on the rate class deferral balances would be more reflective of cost causation and a more equitable allocation method. In response, ENMAX indicated that it “is not opposed to alternative methods for allocating carrying costs to customer rate classes provided that the allocation methodology allows full recovery of the total carrying costs.”29

Commission findings

28. The Commission has reviewed the application, including the schedules, and finds them to be consistent with the harmonized framework approved by the Commission in Decision 3334-D01-2015. Two points not addressed in the harmonized framework arose in the review of this application: the presentation of the demand under-frequency load shedding (UFLS) credit, related to the SAS charges, and the calculation of carrying costs when the Bank of Canada monthly bank rate changed mid-month. The Commission finds that ENMAX has incorporated the UFLS credit in its application in a reasonable manner. The calculation of carrying costs is discussed below.

29. As set out in Section 2 of this decision, in accordance with the findings in Decision 2014-347, ENMAX’s 2014 TACDA operated as a price-only deferral account that reconciled only forecast to actual variances related to the AESO price changes.30 Therefore, rather than performing a true-up of incurred SAS costs to actual revenues received, ENMAX trued up its transmission access charge deferral and its quarterly TACDA riders from 2014.31

26 Exhibit 20754-X0004, application, paragraphs 25-26.
27 Exhibit 20754-X0003, Schedule 7.0.
28 Exhibit 20754-X0016, AUC-EPC-2015SEP24-002 a) and b).
29 Exhibit 20754-X0021, AUC-EPC-2015OCT23-002 c), d) and e).
31 Exhibit 20754-X0016, AUC-EPC-2015SEP24-005 b).
30. In a number of IRs, the Commission sought verification of ENMAX’s price-only TACDA calculations in the harmonized schedules template. The Commission has reviewed the responses and reconciled the numbers to the $6.654 million volume variance on ENMAX’s revenue identified in its 2014 Rule 005 report. Based on this analysis, the Commission finds that ENMAX’s reconciliation of its 2014 quarterly TACDA riders and transmission access charge deferral true-up amounts in this application are a reasonable interpretation of previous directions regarding its price-only deferral account.

31. With respect to the Balancing Pool amounts, in Decision 2013-445, the Commission approved ENMAX’s 2014 Balancing Pool rider as a $0.005643/kWh credit for all applicable rate classes calculated based on the approved Balancing Pool’s rate of $5.50/MWh, and the company’s expected distribution losses in 2014. The Commission agrees with ENMAX that the company accepted the volume forecast risk in 2014, and as such, the Balancing Pool amounts were not included in this application.

32. Regarding the calculation of carrying costs when the Bank of Canada monthly bank rate changed mid-month, the Commission recognizes that the DFOs have at times used simplified methods for reasons of expediency and immateriality. Given the current low level of interest rates and the relatively small amount of carrying costs included in the application, the Commission will not require ENMAX to revise its application. However, as future interest rates may rise, the Commission considers that ENMAX should adopt a methodology that is conceptually correct and applicable in all economic environments. Therefore, the Commission directs ENMAX, in its future annual TACDA true-up applications, to calculate carrying costs based on the weighted average Bank of Canada monthly bank rate in months in which the interest rates changed.

33. Similarly, the Commission considers that ENMAX should adopt a methodology to allocate carrying costs that is conceptually supportable. In the Commission’s view, allocating carrying costs based on the rate class deferral balances would be more reflective of cost causation and a more equitable allocation method than actual energy consumed. The resulting collection or refund would be consistent with a positive or negative outstanding deferral balance for a particular rate class. Therefore, in its future annual TACDA true-up applications, the Commission directs ENMAX to allocate carrying costs based on the rate class deferral balances.

34. The Commission has reviewed the assignment of other true-up amounts to rate classes. The amounts associated with the true-up of previous riders related to the AESO charges, the 2011-2012 TACDA Rider and the November to December portion of the 2013 TACDA Rider, as well as the reconciliation of the 2014 quarterly TACDA riders, were determined for each rate class as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class, which is in substance a direct assignment methodology. The 2014 transmission access charge deferral true-up amounts were allocated to rate classes based on a previously approved Phase II cost of service methodology.

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33 Rule 005: Annual Reporting Requirements of Financial and Operational Results.
34 Exhibit 20754-X0021, AUC-EPC-2015OCT23-001 a) and b).
35. The Commission has reviewed ENMAX’s calculations of the amounts comprising the 2014 TACDA true-up and finds them to be reasonable. Therefore, the Commission approves a net collection of $3,796,899 from rate classes, as calculated by ENMAX. 36 The Commission has also reviewed the methods used to attribute the individual components of the 2014 TACDA true-up to rate classes and finds the individual methodologies to be reasonable in the circumstances.

4.2 Rider implementation period and customer bill impacts

36. In this application, ENMAX proposed that its 2014 TACDA true-up rider be in effect from January 1, 2016 to March 31, 2016, which is Quarter (Q) 1 2016.

37. In calculating its customer bill impacts, ENMAX used the historical regulated rate option energy prices at the time of filing its application as energy prices effective January 1, 2016. 37 The typical impacts on customer bills associated with the one-quarter TACDA Rider implementation period, as estimated by ENMAX, are provided in Table 2 below:

Table 2. Typical bill impact on a total bill basis 38

<table>
<thead>
<tr>
<th>Rate class</th>
<th>Typical bill change from August 2015 to January 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($)</td>
</tr>
<tr>
<td>1 D100 Residential</td>
<td>2.79</td>
</tr>
<tr>
<td>2 D200 Small Commercial</td>
<td>25.55</td>
</tr>
<tr>
<td>3 D300 Medium Commercial</td>
<td>21.00</td>
</tr>
<tr>
<td>4 D310 Large Commercial - Secondary</td>
<td>(1,389.00)</td>
</tr>
<tr>
<td>5 D410 Large Commercial - Primary</td>
<td>4,222.00</td>
</tr>
<tr>
<td>6 D500 Street Lights</td>
<td>(0.23)</td>
</tr>
</tbody>
</table>

38. As shown in Table 2, the overall change in customer bills, on a total bill basis based on typical consumption, is less than 10 per cent for all rate classes.

Commission findings

39. The total wires component of the bill is the portion of the bill the Commission approves while the total bill is what customers generally focus on. The Commission has compared the total typical customer bills for August 2015 to the total typical customer bills for January 2016 and finds that the bill impact of the proposed TACDA Rider to rate classes falls within a reasonable range and will not cause rate shock.

40. For the reasons above, the Commission approves the TACDA Rider implementation period from January 1, 2016 to March 31, 2016.

4.3 TACDA Rider rate

41. The TACDA Rider is impacted by the 2014 TACDA true-up amount, related carrying costs and the implementation period of the rider.

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36 Exhibit 20754-X0003, Schedule 1.0.
37 Exhibit 20754-X0016, AUC-EPC-2015SEP24-003 b).
38 Excerpts from Exhibit 20754-X0002, Schedule 1.0.
42. To calculate the dollar per kilowatt hour ($/kWh) rider rate, ENMAX summed the 2014 TACDA true-up components including the related carrying costs by rate class and divided these amounts by the Q1 2016 forecast billing determinants. In its application, ENMAX calculated the forecast billing determinants for Q1 2016 as an average of the forecast billing determinants in Q4 2015.\(^{39}\) In response to a Commission IR, ENMAX expressed its view that this method is superior to escalating the previous year’s forecast billing determinants from the same quarter because it is based on averages and avoids the use of potentially contentious escalation factors. Further, the method was previously approved by the Commission in Decision 2014-292, and the time period relied on is close to the period being forecast.\(^{40}\)

43. The resulting true-up amounts and the proposed TACDA Rider rates, by rate class, are set out in the table below:

<table>
<thead>
<tr>
<th>Rate class</th>
<th>Total true-up ($)</th>
<th>TACDA Rider rate ($/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3,372,095</td>
<td>0.00403</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>869,525</td>
<td>0.00836</td>
</tr>
<tr>
<td>Medium Commercial</td>
<td>649,405</td>
<td>0.00184</td>
</tr>
<tr>
<td>Large Commercial - Secondary</td>
<td>(3,329,343)</td>
<td>(0.00462)</td>
</tr>
<tr>
<td>Large Commercial - Primary</td>
<td>2,344,051</td>
<td>0.00511</td>
</tr>
<tr>
<td>Street Lights</td>
<td>(108,833)</td>
<td>(0.00345)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,796,899</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Commission findings**

44. As shown in Table 3, while the total true-up amount is a net collection, the TACDA Rider results in a refund to some customer classes. This is due to the relative size of the components of the true-up amounts, some of which are collections and some refunds, being attributed to rate classes using different methodologies.

45. In previous sections of this decision, the Commission approved the components of the 2014 TACDA true-up amount and the methods by which they are attributed to rate classes. As well, the Commission approved the proposed Q1 2016 implementation period of the TACDA Rider.

46. Because ENMAX does not have an approved billing determinants forecast for 2016, it had to estimate its billing determinants for Q1 2016 in order to calculate the TACDA Rider rates. For the purpose of this decision, the Commission accepts the use of the average of the forecast billing determinants in Q4 2015 as a forecast for Q1 2016 as reasonable in the circumstances given its simplicity and the proximity of the two periods. However, the Commission expects that in its future annual TACDA true-up applications, ENMAX will utilize forecast billing determinants approved by the Commission in a prior proceeding.

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\(^{39}\) Exhibit 20754-X0003, Schedule 1.0.

\(^{40}\) Exhibit 20754-X0016, AUC-EPC-2015SEP24-007 b).

\(^{41}\) Exhibit 20754-X0003, Schedule 1.0.
47. Accordingly, the Commission approves ENMAX’s TACDA Rider per rate class as set out in Table 3 above and reproduced in Appendix 3.

5 Accrual basis approach

48. As set out in Decision 3334-D01-2015, one of the issues raised at the September 26, 2014 consultation meeting, related to what amounts collected by way of quarterly TACDA true-up riders should be included in a particular year’s annual TACDA true-up. The Commission observed that two approaches could be used. Under the first approach, all revenue received in a year would be assigned to that year, regardless of what period the collected amounts relate to, similar to a cash basis of accounting; while under the second approach, the revenue collected would be assigned to the period to which the revenue relates, similar to an accrual basis of accounting.

49. At that consultation meeting, ENMAX appeared to be the only company to use the cash basis approach, while the remaining three DFOs use the accrual basis approach. However, ENMAX agreed to look into the possibility of switching to the accrual basis approach to align with other DFOs, while being mindful of the administrative difficulty and cost of adopting a new practice.

50. In Decision 3334-D01-2015, the Commission accepted ENMAX’s proposal to transition from a cash basis to an accrual basis starting with the 2014 annual TACDA application, to be consistent with the other DFOs. The Commission found ENMAX’s proposal to provide a supplemental schedule as part of its 2014 annual TACDA application, to ensure that no amounts were double-counted or omitted during the transition, to be reasonable.

51. In this application, ENMAX clarified that it had incorrectly implied that it had been using a cash basis accounting approach when, in fact, it has historically used an accrual basis accounting approach for its annual TACDA applications.

Commission findings

52. The Commission acknowledges ENMAX’s clarification that it has historically used the accrual basis approach for its annual TACDA true-up applications. Therefore, there is no need for a supplemental schedule, as described in Decision 3334-D01-2015.

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42 Decision 3334-D01-2015, paragraphs 20-22.
43 Decision 3334-D01-2015, paragraph 24.
44 Exhibit 20754-X0001, Appendix 3.
6 Order

53. It is hereby ordered that:

   (1) ENMAX Power Corporation’s transmission access charge deferral account rider, as attached in Appendix 3 to this decision, is approved effective January 1, 2016, to March 31, 2016.

Dated on November 20, 2015.

Alberta Utilities Commission

(original signed by)

Kay Holgate
Commission Member
Appendix 1 – Proceeding participants

<table>
<thead>
<tr>
<th>Name of organization (abbreviation)</th>
<th>counsel or representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENMAX Power Corporation</td>
<td></td>
</tr>
<tr>
<td>Consumers’ Coalition of Alberta (CCA)</td>
<td></td>
</tr>
</tbody>
</table>

Alberta Utilities Commission

Commission panel
- K. Holgate, Commission Member

Commission staff
- J. Graham (Commission counsel)
- O. Vasetsky
- C. Runge
- P. Genderka
Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. Regarding the calculation of carrying costs when the Bank of Canada monthly bank rate changed mid-month, the Commission recognizes that the DFOs have at times used simplified methods for reasons of expediency and immateriality. Given the current low level of interest rates and the relatively small amount of carrying costs included in the application, the Commission will not require ENMAX to revise its application. However, as future interest rates may rise, the Commission considers that ENMAX should adopt a methodology that is conceptually correct and applicable in all economic environments. Therefore, the Commission directs ENMAX, in its future annual TACDA true-up applications, to calculate carrying costs based on the weighted average Bank of Canada monthly bank rate in months in which the interest rates changed. ................................Paragraph 32

2. Similarly, the Commission considers that ENMAX should adopt a methodology to allocate carrying costs that is conceptually supportable. In the Commission’s view, allocating carrying costs based on the rate class deferral balances would be more reflective of cost causation and a more equitable allocation method than actual energy consumed. The resulting collection or refund would be consistent with a positive or negative outstanding deferral balance for a particular rate class. Therefore, in its future annual TACDA true-up applications, the Commission directs ENMAX to allocate carrying costs based on the rate class deferral balances. .................................Paragraph 33
Appendix 3 – TACDA Rider

Transmission Access Charge (“TAC”) Deferral Account Rider ADJUSTMENT

This is a rider to charge/refund the balance in the Transmission Access Charge Deferral Account. The TAC Deferral Account records changes in transmission access costs due to changes in Alberta Electric System Operator (AESO) rates. The adjustment is effective January 1, 2016 and will be added to the Q1 2016 TAC Rider.

ELIGIBILITY
Rider will apply to all energy delivered under the Distribution Tariff.

RIDER
Transmission Access Charge Deferral Account Rider

<table>
<thead>
<tr>
<th>RATE CLASS DESCRIPTION</th>
<th>RATE CODE</th>
<th>COMPONENT</th>
<th>TYPE</th>
<th>UNIT</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>D100</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>$0.00403</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>D200</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>$0.00836</td>
</tr>
<tr>
<td>Medium Commercial – Secondary</td>
<td>D300</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>$0.00184</td>
</tr>
<tr>
<td>Large Commercial – Secondary</td>
<td>D310</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>($0.00462)</td>
</tr>
<tr>
<td>Large Commercial – Primary</td>
<td>D410</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>$0.00511</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>D500</td>
<td>TAC Rider</td>
<td>per kWh</td>
<td></td>
<td>($0.00345)</td>
</tr>
</tbody>
</table>

Local Access Fee (LAF)
The LAF is a surcharge imposed by the City of Calgary and is not approved by the Alberta Utilities Commission. The LAF is applicable to all services located within the City of Calgary.