



AUC

Alberta Utilities Commission

EPCOR Distribution & Transmission Inc.

**Compliance Filing to Decision 21592-D01-2017
2015 Capital Tracker True-Up**

March 20, 2017

Alberta Utilities Commission

Decision 22392-D01-2017

EPCOR Distribution & Transmission Inc.

Compliance Filing to Decision 21592-D01-2017

2015 Capital Tracker True-Up

Proceeding 22392

March 20, 2017

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

Contents

1	Decision	1
2	Introduction and procedural background.....	1
3	Compliance with Commission directions.....	2
	3.1 Directions 4 and 6: inclusion of costs related to EPCOR’s review of its asset management practices and grouping of a specific project	2
	3.2 Directions 7, 8 and 9: incorrect charges in the Customer Revenue Metering program and the holdback mechanism	4
	3.3 Directions 10 and 12: accounting test and materiality test	6
4	2015 actual K factor	7
5	Direction 13: refund of the amounts resulting from this compliance filing	9
6	Order.....	11
	Appendix 1 – Proceeding participants	13
	Appendix 2 – Summary of Commission directions.....	14
	Appendix 3 – EPCOR’s interim rate adjustment – Rider DJ	15

List of tables

Table 1.	Directions 4 and 6 capital addition/removals	3
Table 2.	Directions 7 and 9 capital addition/removals	5
Table 3.	2015 K factor true-up	7
Table 4.	Bill impacts of EPCOR’s Recovery Rider J, Q2 2017 QTAR and capital tracker compliance filing	10

1 Decision

1. This decision provides the Alberta Utilities Commission's determination of EPCOR Distribution & Transmission Inc.'s (EPCOR or EDTI) compliance with the Commission's directions issued in Decision 21592-D01-2017.¹ For the reasons outlined in this decision, the Commission determined that EPCOR has complied with the Commission's directions and has approved EPCOR's 2015 K factor adjustments as applied for in the application. EPCOR is directed to reflect the recalculated 2015 K factor true-up adjustment of negative \$2.82 million, subject to the applicable carrying charges of negative \$0.12 million, in its Rate Rider DJ effective April 1, 2017.

2 Introduction and procedural background

2. On January 4, 2017, the Commission issued Decision 21592-D01-2017, dealing with EPCOR's 2015 capital tracker true-up application. The decision included a direction to EPCOR to file a compliance filing application by February 3, 2017.

3. On February 3, 2017, EPCOR submitted its compliance filing application with the Commission and the Commission issued notice of the application on February 6, 2017. Interested parties were requested to file statements of intent to participate (SIPs) by February 15, 2017. The Consumers' Coalition of Alberta (CCA) was the only party to file a SIP with the Commission. In its SIP, the CCA stated that it would like the opportunity to test EPCOR's application with a round of information requests (IRs) before commenting on whether or not it objected to the application.

4. On February 16, 2017, the Commission issued a process letter notifying parties that the application would be considered by way of a *basic written process* proceeding, as set out in Bulletin 2015-09.² In the letter, the Commission established the following process schedule:

Process step	Deadline
IRs to EPCOR	February 24, 2017
IR responses from EPCOR	March 3, 2017
Submissions on the need for further process	March 8, 2017

¹ Decision 21592-D01-2017: EPCOR Distribution & Transmission Inc., 2015 Performance-Based Regulation Capital Tracker True-Up, Proceeding 21592, January 4, 2017.

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

5. On March 6, 2017 and March 8, 2017, respectively, the Commission received letters from the CCA and EPCOR regarding further process. The CCA requested the opportunity to file argument and reply argument. EPCOR indicated that there was no need for any further process.
6. By letter dated March 8, 2017, the Commission set the deadlines for argument and reply argument to March 13, 2017, and March 16, 2017, respectively.
7. On March 9, 2017, the CCA notified the Commission that it would not be filing argument and reply argument in this proceeding. In light of EPCOR's submission with respect to further process and the CCA's letter of March 9, 2017, the Commission determined that argument and reply argument were not required for this proceeding. Accordingly, the Commission considers the record for this proceeding to have closed on March 9, 2017.
8. In reaching the determinations set out in this decision, the Commission has considered all relevant materials comprising the record of this proceeding, as well as related performance-based regulation and capital tracker decisions. Accordingly, reference 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 this matter.

3 Compliance with Commission directions

9. In its application, EPCOR provided a table setting out the Commission directions from Decision 21592-D01-2017 that it considered were applicable to this compliance filing, namely directions 4, 6-10 and 12-13. The table was provided in Appendix A to the application.³ EPCOR explained that the remaining directions, 1-3, 5 and 11, would be addressed in future applications.⁴
10. The Commission agrees with EPCOR that directions 4, 6-10 and 12-13 are applicable to this compliance filing. The Commission's findings respecting EPCOR's compliance with these directions are set out in sections 3.1 to 3.3 of this decision that follow.

3.1 Directions 4 and 6: inclusion of costs related to EPCOR's review of its asset management practices and grouping of a specific project

11. EPCOR included costs related to its review of its asset management practices in the 2015 actual capital additions for several capital tracker life cycle projects. At paragraph 77 of Decision 21592-D01-2017, the Commission gave the following direction:

77. The Commission accepts EPCOR's explanations and directs EPCOR to remove all capital additions related to its review of its asset management practices that were included in any capital tracker life cycle project or program, and provide supporting evidence for the amounts removed, including how the amounts were allocated to each project or program, in the compliance filing to this decision. EPCOR is further directed to provide a summary table in the compliance filing to this decision, that includes for each life cycle replacement capital tracker project or program, a comparison of the 2015 actual capital additions applied for in this proceeding and the 2015 actual capital additions, revised in accordance with the directions set out in this section. [Direction 4]

³ Exhibit 22392-X0001, application, Appendix A.

⁴ Exhibit 22392-X0001, application, paragraph 2.

12. In Proceeding 21592, EPCOR had proposed to include capital additions for a project driven by load growth in a life cycle program group. At paragraph 86 of Decision 21592-D01-2017, the Commission gave the following direction:

86. The Commission finds that based on the evidence on record, the driver for this specific project was load growth, and considering the importance of the grouping of projects, the integrity of the grouping of projects must be maintained. Accordingly, the Commission directs EPCOR to remove the capital additions related to this specific project from the Life Cycle Replacement and Extension of Underground Distribution Cable program and add them to the New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth program, in the compliance filing to this decision. [Direction 6]

13. In response to these directions, EPCOR removed a total of \$0.43 million of capital additions from four capital tracker projects or programs and added \$0.17 million to the New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth program, as set out in the table below.

Table 1. Directions 4 and 6 capital addition/removals

Program/project name	Capital additions/removals			
	2015 actual as filed in Proceeding 21592	Direction 4	Direction 6	2015 actual compliance filing
	(\$ million)			
Life Cycle Replacement and Extension of Underground Distribution Cable	15.86	(0.05)	(0.17)	15.63
Distribution Pole and Aerial Line Life Cycle Replacements	6.00	(0.05)		5.94
Aerial and Underground Distribution Transformers – New Services and Life Cycle Replacement	6.33	(0.11)		6.22
Network Transformer Life Cycle Replacement	4.10	(0.05)		4.05
Total		(0.26)	(0.17)	(0.43)
New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth	6.97		0.17	7.14

Source: Exhibit 22392-X0005, Schedule 3.

14. In response to Direction 4, EPCOR explained that the total 2015 capital additions related to its review of asset management practices was \$0.32 million, allocated to five capital projects or programs, one of which was a non-capital tracker project. It allocated the costs based on the number of models built for each project or program. In total, six models were built, five for four capital tracker projects or programs and one for the non-capital tracker project, resulting in an allocation of \$0.05 million for each model built and \$0.26 million allocated to four capital tracker life cycle projects or programs.⁵ EPCOR also provided a table showing the impact of the removal of the asset management practices review costs on 2015 capital additions.⁶

⁵ Exhibit 22392-X0001, application, paragraphs 9-10.

⁶ Exhibit 22392-X0001, application, paragraph 12, Table 2.1-1.

15. In response to a Commission IR, EPCOR explained that it employed an even cost distribution based on the number of models completed for each program because this allocation reflected how the service provider charged it for the cost of each model.⁷

16. In response to Direction 6, EPCOR removed \$0.17 million in capital additions related to the P74 Cable Replacement project from the Life Cycle Replacement and Extension of Underground Distribution Cable program and added them to the New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth program.⁸

Commission findings

17. The explanations provided in support of compliance with Direction 4 provide the necessary information to support the amounts removed and how these amounts were allocated to each project or program. Further, the Commission finds the methodology used to allocate these costs across the related projects or programs to be reasonable.

18. The Commission has also reviewed the schedules provided by EPCOR that set out the results of the updated K factor calculation, and finds that EPCOR has complied with the Commission's directions in Decision 21592-D01-2017 at paragraphs 77 and 86. The Commission is satisfied that EPCOR has correctly reflected the updated 2015 actual capital additions associated with the four capital tracker life cycle projects or programs and the New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth program in the accounting test calculations.

19. Given the above, the Commission approves the 2015 actual capital additions of \$15.63 million, \$5.94 million, \$6.22 million, \$4.05 million and \$7.14 million for the Life Cycle Replacement and Extension of Underground Distribution Cable, Distribution Pole and Aerial Line Life Cycle Replacements, Aerial and Underground Distribution Transformers – New Services and Life Cycle Replacement, Network Transformer Life Cycle Replacement, and New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth projects or programs, respectively.

3.2 Directions 7, 8 and 9: incorrect charges in the Customer Revenue Metering program and the holdback mechanism

20. The Customer Revenue Metering program group consists of two projects, Customer Revenue Metering – Growth and Life Cycle Replacements and Advanced Metering Infrastructure (AMI). In Proceeding 21592, EPCOR had charged the cost of AMI project meters to the Customer Revenue Metering – Growth and Life Cycle Replacements project and had included costs for meters that were purchased in 2015 but not installed to the AMI project. At paragraphs 133 and 152 of Decision 21592-D01-2017, the Commission issued the following directions:

133. The Commission has also reviewed the 2015 actual capital additions for this project, in light of the evidence supporting these costs, the associated procurement and construction practices and the evidence explaining the differences between approved forecast and actual costs, and finds the actual costs to be prudent, with the exception of the incorrect AMI meter charge. The Commission directs EPCOR to remove the incorrect

⁷ Exhibit 22392-X0016, EDTI-AUC-2017FEB24-002.

⁸ Exhibit 22392-X0005, Schedule 3.

\$0.17 million charge from this project and charge it to the AMI project, as was proposed in the application. [Direction 7]

...
152. Further, the Commission accepts EPCOR’s proposal to remove the \$0.89 million in costs for meters that were purchased in 2015 but not installed, and to add the \$0.17 million in costs for meters that were purchased for this project but inadvertently charged to the Customer Revenue Metering – Growth and Life Cycle Replacements project, discussed in Section 7.3.1, and directs EPCOR to do so as part of its compliance filing to this decision. [Direction 9]

21. In Proceeding 21592, EPCOR explained that the contract with the AMI vendor included a 15 per cent holdback mechanism whereby funds are withheld until EPCOR is satisfied that performance metrics have been met.⁹ At paragraph 151 of Decision 21592-D01-2017, the Commission gave the following directions:

151. In the compliance filing to this decision, EPCOR is directed to provide further information regarding the treatment of this holdback mechanism. In particular, EPCOR should explain whether the 2015 actual project costs contain any meter contract costs that were capitalized by EPCOR but not paid to the AMI vendor in 2015. If there were any outstanding payment amounts, EPCOR is to explain whether it expects the 2015 actual costs as stated in this application to change. Further, EPCOR is directed to explain its process for managing and reporting actual project costs on a year-over-year basis in the event that any of the stated actual costs include unpaid vendor amounts that are still subject to exchange rate fluctuations. [Direction 8]

22. In response to directions 7 and 9, EPCOR removed the \$0.17 million capital addition from the Customer Revenue Metering – Growth and Life Cycle Replacements project and added it to the AMI project. EPCOR also removed capital additions of \$0.89 million from the AMI project, as set out in the table below.

Table 2. Directions 7 and 9 capital addition/removals

Program/project name	Capital additions/removals			
	2015 actual as filed in Proceeding 21592	Direction 7	Direction 9	2015 actual compliance filing
	(\$ million)			
Advanced Metering Infrastructure	12.47	0.17	(0.89)	11.75
Customer Revenue Metering – Growth & Life Cycle Replacements	4.44	(0.17)		4.27

Source: Exhibit 22392-X0005, Schedule 3.

23. In the application, in response to Direction 8, EPCOR described its accounting treatment of funds withheld. It explained that holdback amounts are capitalized in the year an invoice is received and not in the year a holdback is paid. The total invoice amount, including the 15 per cent holdback, is accounted for in the year in which the invoice is received in Canadian dollars, based on the Canadian dollar/U.S. dollar exchange rate at the time of invoice receipt. Exchange rate variances are then accounted for at the time the invoice is paid and the calculated amount is

⁹ Exhibit 21592-X0100, EDTI-UCA-2016JUL28-010(b).

charged or credited to the AMI project in the actual year of payment. EPCOR stated that \$0.54 million in holdback amounts were capitalized in 2015 and paid to the AMI vendor in 2016. Further, a foreign exchange variance of \$5,752 was capitalized in 2016 for related invoices received in 2015.¹⁰

Commission findings

24. The Commission has reviewed the schedules provided by EPCOR that show the results of the updated K factor calculation and finds that EPCOR has complied with the Commission's directions in Decision 21592-D01-2017 at paragraphs 133 and 152. The Commission is satisfied that EPCOR has correctly reflected the updated 2015 actual capital additions associated with the Customer Revenue Metering projects in the accounting test calculations.

25. The explanations provided in support of compliance with Direction 8 provide the necessary information to assist the Commission in determining if the treatment of EPCOR's holdback mechanism results in prudently incurred costs. The Commission finds EPCOR's accounting treatment of AMI vendor invoices, with respect to funds withheld and exchange rate fluctuations, to be reasonable and the related 2015 capital additions, to be prudent. Accordingly, the Commission finds that EPCOR has complied with the Commission's directions in Decision 21592-D01-2017 at paragraph 151.

26. Given the above, the Commission approves the 2015 actual capital additions of \$11.75 million and \$4.27 million for the Advanced Metering Infrastructure and Customer Revenue Metering – Growth & Life Cycle Replacements projects, respectively.

3.3 Directions 10 and 12: accounting test and materiality test

27. At paragraph 175 of Decision 21592-D01-2017, the Commission directed EPCOR to revise its accounting test for 2015, based on the actual capital additions that were subject to some adjustments and Commission directions in other sections of Decision 21592-D01-2017. Further, at paragraph 187 of Decision 21592-D01-2017, the Commission directed EPCOR to reassess whether its projects or programs included in the 2015 true-up satisfy the two-tiered materiality test requirement of Criterion 3.

28. In the application, EPCOR indicated that it revised its 2015 accounting test to reflect the directions set out in Decision 21592-D01-2017 and confirmed that the projects or programs included in the 2015 true-up continued to satisfy the accounting test requirement of Criterion 1.¹¹ EPCOR also explained that it reassessed its projects or programs using the approved 2015 threshold amounts and that all projects or programs included in the 2015 true-up continued to satisfy the accounting test requirement of Criterion 3.¹²

Commission findings

29. The Commission has reviewed EPCOR's updated accounting test calculations and finds that EPCOR has updated its accounting test schedules to reflect the directions set out in Decision 21592-D01-2017. Further, the Commission has reviewed EPCOR's reassessment of its 2015 capital tracker project or programs, and is satisfied that EPCOR's capital tracker projects or

¹⁰ Exhibit 22392-X0001, application, paragraphs 15-17.

¹¹ Exhibit 22392-X0001, application, paragraph 20.

¹² Exhibit 22392-X0001, application, paragraph 21.

programs continue to satisfy the accounting test requirement of Criterion 3. Therefore, the Commission finds that EPCOR has complied with the directions set out at paragraphs 175 and 187 of Decision 21592-D01-2017.

30. Accordingly, the Commission finds that each and all of EPCOR’s projects or programs included in the 2015 true-up, as shown in Table 3 below, satisfy the requirements of the first and third criteria for capital tracker treatment. Capital tracker treatment for these projects is approved.

4 2015 actual K factor

31. Having made the above changes to respond to the Commission’s directions from Decision 21592-D01-2017, EPCOR recalculated its actual K factors for 2015.

32. The following table compares EPCOR’s applied-for forecast 2015 K factor amounts, the actual 2015 K factor amounts applied for in Proceeding 21592 and the updated K factor amounts calculated in this compliance filing for each capital tracker project or program.

Table 3. 2015 K factor true-up

Program/project name	2015 approved forecast K factor ¹³	2015 K factor Proceeding 21592 ¹⁴	2015 actual K factor compliance filing ¹⁵	Variance
	A	B	C	D=C-A
	(\$ million)			
Third-Party Driven Relocations	3.50	1.91	1.90	(1.60)
Life Cycle Replacement and Extension of Underground Distribution Cable	1.89	1.39	1.38	(0.51)
New 15-kilovolt (kV) and 25-kV Circuit Additions	0.67	0.69	0.69	0.02
New Underground Cable and Aerial Line Reconfigurations and Extensions to Meet Customer Growth	1.25	0.67	0.68	(0.57)
Distribution Pole and Aerial Line Life Cycle Replacements	0.24	0.08	0.08	(0.16)
Aerial and Underground Distribution Transformers – New Services and Life Cycle Replacement	0.60	0.47	0.46	(0.14)
Capitalized Underground System Damage	0.65	0.55	0.55	(0.10)
Vehicles – Growth and Life Cycle Replacements	0.35	-	-	(0.35)
New Underground and Aerial Service Connections for Commercial, Industrial, Multi-family and Misc. Customers	1.30	1.32	1.32	0.02
Underground Residential Distribution (URD) Servicing – Rebates, Acceptance Inspections & Terminations	3.45	3.21	3.21	(0.24)
Capital Tools and Instrument Purchases	0.14	0.15	0.15	0.01
Poundmaker Feeders	0.51	0.46	0.46	(0.05)
OMS/DMS Life Cycle Replacement	0.73	0.82	0.82	0.09
Capitalized Aerial System Damage	0.18	0.13	0.13	(0.05)
Underground Industrial Distribution (UID) Servicing – Rebates, Acceptance Inspections & Terminations	0.23	0.32	0.32	0.09

¹³ Decision 20210-D01-2015: EPCOR Distribution & Transmission Inc., 2013-2015 Capital Trackers Compliance Filing, Proceeding 20210, May 29, 2015, Table 4.

¹⁴ Decision 21592-D01-2017, Table 1.

¹⁵ Exhibit 22392-X0004, Schedule 2, Column E.

Program/project name	2015 approved forecast K factor ¹³	2015 K factor Proceeding 21592 ¹⁴	2015 actual K factor compliance filing ¹⁵	Variance
Replacement of Faulted Distribution PILC Cables	0.14	0.24	0.24	0.10
Neighbourhood Renewal Program	0.21	0.10	0.10	(0.11)
Life Cycle Replacement of Network Transformers	0.17	0.13	0.13	(0.04)
Life Cycle Replacement of PILC Cable Systems	0.11	0.17	0.17	0.06
Customer Revenue Metering program				
Customer Revenue Metering – Growth & Life Cycle Replacements	0.86	0.83	0.82	(0.04)
Advanced Metering Infrastructure	-	0.79	0.74	0.74
2015 K factor total	17.18	14.43	14.36	(2.82)

Note: Totals do not match summation of each individual project or program due to rounding.

Commission findings

33. In Decision 21592-D01-2017, based on the project assessment under Criterion 1, the Commission approved the need, scope, level, timing and the prudence of actual capital additions for each project or program that EPCOR included in the 2015 true-up, subject to the adjustments and Commission directions to be addressed in this compliance filing. At the same time, because these adjustments would affect actual 2015 costs for all projects or programs, the Commission indicated it could not make a determination in that decision as to whether all of EPCOR's programs or projects included in the 2015 true-up satisfy the project assessment requirement of Criterion 1.¹⁶

34. Further, the Commission found the general form of EPCOR's accounting test model to be reasonable and consistent with the methodology approved in Decision 2013-435.¹⁷ However, because EPCOR's accounting test for 2015 needed to be revised, the Commission could not make a determination in that decision as to whether all of EPCOR's projects or programs included in the 2015 true-up satisfied the accounting test requirement of Criterion 1 and accordingly, whether all of EPCOR's projects or programs satisfied Criterion 1 in their entirety.¹⁸ Similarly, the Commission indicated that it could not determine in that decision whether all of EPCOR's projects or programs included in the 2015 true-up satisfied the materiality test requirement of Criterion 3.¹⁹

35. In previous sections of this decision, the Commission determined that EPCOR has complied with the directions set out in Decision 21592-D01-2017. Based on the Commission's review of EPCOR's capital tracker projects or programs included in the 2015 true-up, and its acceptance of the compliance filing calculations, the Commission finds the revised actual capital additions in 2015 to be prudent for each capital tracker project or program included in the 2015 true-up. The Commission also finds the resulting K factor calculations for 2015, as provided in the compliance filing, to be reasonable.

¹⁶ Decision 21592-D01-2017, paragraph 174.

¹⁷ Decision 2013-435: Distribution Performance-Based Regulation, 2013 Capital Tracker Applications, Proceeding 2131, Application 1608827-1, December 6, 2013.

¹⁸ Decision 21592-D01-2017, paragraphs 171 and 175.

¹⁹ Decision 21592-D01-2017, paragraph 186.

36. Based on the foregoing, the Commission approves, on an actual basis, the 2015 K factor of \$14.36 million, as calculated in the compliance filing.

5 Direction 13: refund of the amounts resulting from this compliance filing

37. At paragraph 213 of Decision 21592-D01-2017, the Commission gave the following direction:

213. The Commission approves EPCOR's proposal to use its existing Rider DJ mechanism to collect the difference between the approved 2015 forecast K factor and the 2015 actual K factor amount approved in the decision on the compliance filing, and directs EPCOR to file the Rider DJ proposal as part of the compliance filing to this decision. The effective date and the duration of the proposed collection period for the Rider DJ should be commensurate with the Commission's process timelines set out in Bulletin 2015-09 and take into account the effect on customer bills. [Direction 13]

38. In Decision 20210-D01-2015, the Commission approved a 2015 K factor forecast of \$17.18 million.²⁰ In this decision, the Commission has approved a 2015 K factor of \$14.36 million on an actual basis. EPCOR explained that it allocated the difference between these amounts, a \$2.82 million refund, to customer rate classes using the simplified approach most recently used and approved in Decision 20559-D01-2015²¹ and provided its allocation calculations in Schedule 4.²² EPCOR also calculated carrying charges of negative \$0.15 million in accordance with Rule 023,²³ and provided detailed calculations in Schedule 4.²⁴

39. In response to an IR, EPCOR provided a bill impacts summary for implementation of Rider DJ on April 1, 2017, in isolation, as well as an April 1, 2017, bill impact that also takes into account the changes associated with this proceeding (such as, for example, the carrying charge amount of negative \$0.12 million associated with earlier implementation date²⁵) as well as the impacts of the Recovery Rider J collection proposed in Proceeding 22419,²⁶ and the Quarterly Transmission Adjustment Rider (QTAR) charges, approved in Disposition 22459-D01-2017,²⁷ assuming all three changes are implemented on April 1, 2017. These effects are summarized in the table below.

²⁰ Decision 20210-D01-2015, Section 3 Order, (2).

²¹ Decision 20559-D01-2015: EPCOR Distribution & Transmission Inc., 2013 and 2015 K Factor True-Up Rider, Proceeding 20559, September 24, 2015.

²² Exhibit 22392-X0001, application, paragraph 23. Exhibit 22392-X0006, Schedule 4, 1.0.

²³ Rule 023: *Rules Respecting Payment of Interest*.

²⁴ Exhibit 22392-X0001, application, paragraph 24. Exhibit 22392-X0006, Schedule 4, 2.0.

²⁵ Exhibit 22392-X0017, EDTI-AUC-2017FEB4-001 Attachment 1, Schedule 2.0.

²⁶ Proceeding 22419, EPCOR Distribution & Transmission Inc., 2017 Recovery Rider J Application.

²⁷ Disposition 22459-D01-2017: EPCOR Distribution & Transmission Inc., Quarterly AESO [Alberta Electric System Operator] DTS [demand transmission service] Deferral Account Rider – Q2 2017, Proceeding 22459, March 9, 2017.

Table 4. Bill impacts of EPCOR’s Recovery Rider J, Q2 2017 QTAR and capital tracker compliance filing

Rate class description	Usage	A	B	C	D
		Rider DJ in isolation		Recovery Rider J, QTAR and Rider DJ	
		Bill change \$ March 2017 vs. April 2017	Bill change % March 2017 vs. April 2017	Bill change \$ March 2017 vs. April 2017	Bill change % March 2017 vs. April 2017
				(\$)	(%)
Residential	Typical	(\$1.51)	-2.1%	3.65	5.4
Small commercial	Typical	(\$4.54)	-1.6%	23.28	9.1
Medium commercial	Typical	(\$29.34)	-1.3%	244.84	12.2
Time of use - secondary	Typical	(\$131.06)	-1.0%	136.49	1.0
Direct connects	Typical	(\$16.27)	0.0%	5,648.66	3.0
Time of use - primary	Typical	(\$403.80)	-0.8%	1,856.38	3.8
Street lights	Typical	(\$54,211.44)	-11.5%	22,128.21	5.2
Traffic lights	Typical	(\$848.22)	-3.1%	6,016.42	24.3
Lane lights	Typical	(\$3,880.68)	-13.0%	31.40	0.1
Security lights	Typical	(\$6.27)	-6.4%	(5.99)	(6.1)
Customer specific	Typical	(\$3,179.98)	-0.7%	9,931.56	2.3
Customer specific totalized	Typical	(\$726.00)	0.0%	226,753.61	10.5
Small commercial unmetered	Booth: 2 lamp	(\$0.28)	-0.9%	1.43	4.8
	TV Booster	(\$0.49)	-1.1%	2.50	6.1
	China Gate	(\$2.17)	-1.6%	11.13	8.5

Source: Exhibit 22392-X0020, EDTI-AUC-2017FEB4-001 Attachment 4 and Exhibit 22392-X0018, EDTI-AUC-2017FEB24-001 Attachment 2.

40. In its application, EPCOR proposed to have Rider DJ effective in the fourth quarter of 2017.²⁸ However, in response to the above IR, EPCOR stated that “there are no impediments to implementing the Rider DJ earlier in the year ... however, that it will require approximately 2 weeks between the date of the Commission’s decision in this proceeding and the implementation date, to allow sufficient time for EDTI to incorporate the rider into its billing system.”²⁹

Commission findings

41. The Commission has reviewed the typical bill impacts of Rider DJ and notes that this rate change results in a refund for all rate classes. The Commission has also reviewed EPCOR’s proposed carrying charges, and has determined that they are consistent with Rule 023 requirements and are therefore, approved. As EPCOR has indicated that it would be possible to implement the refund sooner than as applied-for, EPCOR’s Rider DJ (inclusive of any applicable carrying charges) is approved effective April 1, 2017.

²⁸ Exhibit 22392-X0001, application, paragraph 25.

²⁹ Exhibit 22392-X0016, EDTI-AUC-2017FEB24-001(a).

6 Order

42. It is hereby ordered that:

- (1) The 2015 actual K factor of \$14.36 million is approved.
- (2) The 2015 K factor adjustment refund amount of \$2.82 million arising from this compliance filing (subject to the applicable carrying charges of negative \$0.12 million as per Rule 023) is approved and shall be included in EPCOR's Rider DJ effective from April 1, 2017 to June 30, 2017, as set out in [Appendix 3](#).

Dated on March 20, 2017.

Alberta Utilities Commission

(original signed by)

Mark Kolesar
Vice-Chair

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
EPCOR Distribution & Transmission Inc. (EPCOR or EDTI)
Consumers' Coalition of Alberta (CCA)

Alberta Utilities Commission
Commission panel M. Kolesar, Vice-Chair
Commission staff C. Wall (Commission counsel) A. Corsi C. Runge

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. This decision provides the Alberta Utilities Commission’s determination of EPCOR Distribution & Transmission Inc.’s (EPCOR or EDTI) compliance with the Commission’s directions issued in Decision 21592-D01-2017. For the reasons outlined in this decision, the Commission determined that EPCOR has complied with the Commission’s directions and has approved EPCOR’s 2015 K factor adjustments as applied for in the application. EPCOR is directed to reflect the recalculated 2015 K factor true-up adjustment of negative \$2.82 million, subject to the applicable carrying charges of negative \$0.12 million, in its Rate Rider DJ effective April 1, 2017. Paragraph 1

Appendix 3 – EPCOR’s interim rate adjustment – Rider DJ

[\(return to text\)](#)



Appendix 3 - EPCOR
interim rate adjustme

(consists of 2 pages)

INTERIM ADJUSTMENT

Rider DJ - DAS True-up Rider

Effective: April 1, 2017

- Applies to all electric service throughout the territory served by the Company when a charge or refund is approved by the AUC.
- Rider is effective April 1, 2017 to June 30, 2017.

Rate Schedule	Customer Charge per Day	Demand Charge per KW or KVA per Day	Per KWh of Total Energy	Per KWh of On-Peak Energy	Per KWh of Off-Peak Energy
DAS-R	N/A	N/A	\$(0.00289)	N/A	N/A
DAS-SC	N/A	N/A	\$(0.00186)	N/A	N/A
DAS-MC	N/A	N/A	\$(0.00148)	N/A	N/A
DAS-TOU	N/A	N/A	N/A	\$(0.00274)	N/A
DAS-TOUP	N/A	N/A	N/A	\$(0.00228)	N/A
DAS-CS*	N/A	N/A	N/A	N/A	N/A
DAS-CST	\$(23.87)	N/A	N/A	N/A	N/A
DAS-DC	\$(0.53)	N/A	N/A	N/A	N/A
DAS-DGEN	N/A	N/A	N/A	N/A	N/A
DAS-SL	N/A	N/A	\$(0.00265)	N/A	N/A
DAS-TL	N/A	N/A	\$(0.00150)	N/A	N/A
DAS-LL	N/A	N/A	\$(0.00130)	N/A	N/A
DAS-SEL	N/A	N/A	\$(0.02377)	N/A	N/A

* See schedule below for Rider DJ charges for CS Sites

INTERIM ADJUSTMENT

Rider DJ - DAS True-up Rider

Effective: April 1, 2017

- Applies to all electric service throughout the territory served by the Company when a charge or refund is approved by the AUC.

Rate Schedule	Customer Charge per Day	Demand Charge per KW or KVA per Day	Per KWh of Total Energy	Per KWh of On-Peak Energy	Per KWh of Off-Peak Energy
DAS-CS20	(\$21.32)	N/A	N/A	N/A	N/A
DAS-CS21	(\$104.55)	N/A	N/A	N/A	N/A
DAS-CS22	(\$23.19)	N/A	N/A	N/A	N/A
DAS-CS23	(\$14.48)	N/A	N/A	N/A	N/A
DAS-CS24	(\$20.94)	N/A	N/A	N/A	N/A
DAS-CS25	(\$24.24)	N/A	N/A	N/A	N/A
DAS-CS26	(\$36.27)	N/A	N/A	N/A	N/A
DAS-CS27	(\$26.08)	N/A	N/A	N/A	N/A
DAS-CS28	(\$78.29)	N/A	N/A	N/A	N/A
DAS-CS29	(\$28.23)	N/A	N/A	N/A	N/A
DAS-CS30	(\$7.54)	N/A	N/A	N/A	N/A
DAS-CS31	(\$30.75)	N/A	N/A	N/A	N/A
DAS-CS32	(\$19.00)	N/A	N/A	N/A	N/A
DAS-CS33	(\$14.09)	N/A	N/A	N/A	N/A
DAS-CS35	(\$120.31)	N/A	N/A	N/A	N/A
DAS-CS37	(\$10.53)	N/A	N/A	N/A	N/A
DAS-CS38	(\$3.56)	N/A	N/A	N/A	N/A
DAS-CS39	(\$7.96)	N/A	N/A	N/A	N/A
DAS-CS40	N/A	N/A	N/A	N/A	N/A