

Electronic Notification

November 29, 2010

EPCOR Energy Alberta Inc.
10065 Jasper Avenue
Edmonton, AB T5J 3B1

Attention: Ms. Tammy Haydey
Senior Manager, Operations Services

**EPCOR ENERGY ALBERTA INC.
REGULATED RATE TARIFF
ELECTRIC ENERGY CHARGES – DECEMBER 2010
APPLICATION NO. 1606774**

1. On November 24, 2010 EPCOR Energy Alberta Inc. (EEAI) filed its energy charges applicable to its Regulated Rate Tariff (RRT) for the month of December 2010 with the Alberta Utilities Commission (AUC). The RRT energy charges are for the EPCOR Distribution & Transmission Inc. (EDTI) and FortisAlberta Inc. (Fortis) service territories.

2. The filing included a letter from the independent advisor¹ (the Advisor). The Advisor stated that he had reviewed the energy charges filed by EEAI for the month of December 2010, and stated that they were calculated in accordance with the Energy Price Setting Plan (EPSP) for 2006 to 2011, including the month-ahead portion and the Index Support Agreement as approved in Order [U2007-352](#).² In this Order, the AUC's predecessor, the Alberta Energy and Utilities Board (Board) approved EEAI's adjustment to its 2006-2011 RRT EPSP Index Support Agreement as agreed to by customer parties and the Advisor. Additionally, the Advisor submitted that EEAI's December energy charges included Uplift charges as part of the risk margin, consistent with the AUC approved amendment in Decision [2010-163](#).³

¹ The Advisor is an independent expert retained to provide advice and assistance as provided in the 2006-2011 energy price setting plan (EPSP).

² Order U2007-352: EPCOR Energy Alberta Inc., Amendment to 2006-2011 Energy Price Setting Plan Index Support Agreement (Application 1546917) (Released: December 7, 2007).

³ Decision 2010-163: EPCOR Energy Alberta Inc. Application to Amend the 2006-2011 Regulated Rate Option Energy Price Setting Plan (Application No. 1605472, Proceeding ID. 305) (Released: April 16, 2010).

3. The Commission, in Decision 2010-163, approved the agreed-upon methodology for risk compensation in respect of uplift charges.⁴

4. EEAI's EPSP was approved by the Board in Order U2006-109.⁵ The EPSP formed part of a Negotiated Settlement, which the Board considered would result in rates that were just and reasonable.

5. EEAI's proposed energy charges for the month of December 2010 are as follows:

Energy Charges (EDTI Service Territory)

Rate Class	cents/kWh
Residential	6.732
Small Commercial	6.732
Lighting	5.677

Energy Charges (Fortis Service Territory)

Rate Class	cents/kWh
Residential	6.749
Small Commercial	6.743
Lighting	5.688
Farm	6.864
Irrigation	6.422
Oil & Gas	6.727

6. AUC staff members have reviewed the filing, including the letter from the Advisor, and the AUC accepts that the above noted energy charges represent rates determined in accordance with EEAI's EPSP for 2006-2011, including the month-ahead portion and the Index Support Agreement as approved in Order U2007-352 and the Uplift charges as approved in Decision 2010-163.

7. In accordance with section 7(3) of the *Regulated Rate Option Regulation*, AR 262/2005, as amended, the AUC acknowledges that the energy charges as set out above are applicable to EEAI's RRT in the noted service territories for the month of December 2010.

8. Further, as outlined in sections 7(4) and 7(5) of the *Regulated Rate Option Regulation*, EEAI must retain records sufficient to enable the AUC to audit any previous monthly rates set by EEAI. Any amount overcharged to customers due to an incorrect rate calculation must be refunded to customers as soon as practicable after the error is discovered.

⁴ However, the Commission reserved the right to direct EEAI and the Consultation Parties to initiate a forecast methodology review, should the cumulative variation between forecast and actual uplift charges reach a threshold of 50 percent in either direction for the remainder of the term of the EPSP.

⁵ Order U2006-109: EPCOR Energy Inc. and EPCOR Energy Alberta Inc., 2006-2011 Regulated Rate Option Energy Price Setting Plan Negotiated Settlement (Application Nos. 1454218 and 1454219) (Released: April 28, 2006).

9. If any affected party objects to the calculation of the energy charges for the month in question, they should notify the AUC and EEAI in a timely manner, and include the nature of their objection and the reason(s) why it should be considered.

A handwritten signature in cursive script, appearing to read "CDRees", with a horizontal line underneath it.

Carolyn Dahl Rees
Vice-Chair