

Electronic Notification

June 30, 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 – JULY 2010
THIRD QUARTER 2010 NON-ENERGY CHARGE RATES
APPLICATION NO. 1606298**

1. EPCOR Energy Alberta Inc. (EEAI) filed an application (Application) on June 24, 2010, with the Alberta Utilities Commission (AUC) for its energy charges applicable to its Regulated Rate Tariff (RRT) for the month of July 2010. The RRT energy charges are for the EPCOR Distribution & Transmission Inc. (EDTI) and FortisAlberta Inc. (Fortis) service territories.
2. The Application 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 July 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 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 July energy charges included Uplift charges as part of the risk margin, consistent with 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

3. The Commission, in Decision 2010-163, approved the agreed-upon methodology for risk compensation in respect of uplift charges⁴.

4. EEAI's EPSP was approved in Order U2006-109,⁵ an order of the AUC's predecessor, the Alberta Energy and Utilities Board (Board). 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 July 2010 are as follows:

Energy Charges (EDTI Service Territory)

Rate Class	cents/kWh
Residential	8.718
Small Commercial	8.718
Lighting	4.450

Energy Charges (Fortis Service Territory)

Rate Class	cents/kWh
Residential	8.723
Small Commercial	8.715
Lighting	4.771
Farm	8.873
Irrigation	8.215
Oil & Gas	8.602

6. AUC staff members have reviewed the Application, 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, revised by Decision 2010-163 and including the month-ahead portion and the Index Support Agreement as approved in Order U2007-352 and the Uplift charges as approved in Decision 2010-163.⁶

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 July 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 (Applications 1454218 and 1454219) (Released: April 28, 2006).

⁶ 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).

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.

10. EEAI's proposed non-energy charges for the third quarter of 2010 are as follows:

Non-Energy Charges (EDTI Service Territory)

Rate Class	(\$/Month/Site)
Residential	6.35
Small Commercial	5.64
Lighting	6.20

Non-Energy Charges (Fortis Service Territory)

Rate Class	(\$/Month/Site)
Residential	6.16
Small Commercial	6.46
Lighting	5.74
Farm	5.81
Irrigation	-7.71
Oil & Gas	3.21

11. AUC staff members have reviewed the filing with respect to the non-energy charges and the AUC accepts that the above noted non-energy charges represent rates determined in accordance with Decision [2009-255](#)⁷ for the EDTI and Fortis service territories respectively.



Carolyn Dahl Rees
Vice-Chair

⁷ Decision 2009-255: EPCOR Energy Alberta Inc. 2010 Interim Regulated Rate Tariff (Application No. 1605584, Proceeding ID. 359) (Released: December 14, 2009).