



## EPCOR Energy Alberta Inc.

2007-2009 Regulated Rate Tariff Non-Energy Charge Refiling

July 23, 2008



**ALBERTA UTILITIES COMMISSION**

Decision 2008-063: EPCOR Energy Alberta Inc.  
2007-2009 Regulated Rate Tariff Non-Energy Charge Refiling  
Application No. 1573623

July 23, 2008

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**EPCOR ENERGY ALBERTA INC.  
2007-2009 REGULATED RATE TARIFF  
NON-ENERGY CHARGE REFILEING**

**Decision 2008-063  
Application No. 1573623**

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**1 BACKGROUND**

On April 30, 2008, the Alberta Energy and Utilities Board (EUB or Board), the predecessor of the Alberta Utilities Commission (Commission), issued Decision 2008-031,<sup>1</sup> which dealt with the EPCOR Energy Alberta Inc. (EEAI) 2007-2009 Regulated Rate Tariff (RRT) Non-Energy Charge Application (Original Application). In Decision 2008-031, the Board issued the following Directions to EEAI:

The Board generally directs EEAI to revise its forecast 2007-2009 RRT revenue requirement, proposed rates, proposed fees, and proposed Terms and Conditions in accordance with the directions set out in this Decision, and to refile these items with the Board no later than **May 23, 2008**.

The Board directs EEAI, in its Refiling, to calculate the difference between the revenue collected on existing 2007 and 2008 rates and the revenue that would have been collected on final 2007 and 2008 rates for the period January 1, 2007 to December 31, 2008, and to propose a method of collecting or refunding this difference from/to customers.<sup>2</sup>

In accordance with the Directions, EEAI filed a 2007-2009 RRT Non-Energy Charge Refiling (Refiling Application) on May 23, 2008, to incorporate the Board's Findings and Directions in Decision 2008-031.

In Decision 2008-031, the Board established a written process schedule for the Refiling Application. In a letter dated May 30, 2008, the Commission noted that:

EEAI noted in section 2.16 of the Refiling Application that EEAI will file an updated version of the 2007 to 2009 RRT Interactive Model during the week of June 2, 2008 to allow sufficient time for testing to ensure that the Interactive Model thoroughly reflects EEAI's revisions and the Board Directions.

By letter dated June 9, 2008, the Commission confirmed that EEAI filed its 2007-2009 RRT Interactive Model on June 6, 2008. Accordingly the Commission established the following schedule to deal with the Refiling Application:

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<sup>1</sup> Decision 2008-031 – EPCOR Energy Alberta Inc. 2007-2009 Regulated Rate Tariff Non-Energy Charge Application No. 1512342. As the Board had issued a Process Schedule for the Original Application prior to January 1, 2008, it was dealt with by the Board in accordance with the transitional provisions of the *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2. As the present application was filed after January 1, 2008, it is being dealt with by the Commission.

<sup>2</sup> Section 11, Refiling Process, pg. 121

<b>Refiling Process Step</b>	<b>Deadline Date</b>
EEAI Refiling	May 23, 2008
EEAI Refiling of 2007-2009 RRT Interactive Model	June 6, 2008
EEAI Refiling of Bill Comparison and Price Schedules	June 11, 2008
Comments from Interested Parties, if any	June 18, 2008
Reply from EEAI (including second refiling, if necessary, to correct any errors or omissions)	July 2, 2008

On June 18, 2008, the Commission received comments from the Alberta Sugar Beet Growers (ASBG), and from the Consumers' Coalition of Alberta (CCA) and the Public Institutional Consumers of Alberta (PICA). The CCA and PICA filed comments together to minimize duplication and optimize parties' participation; these two groups will be referred to as the Consumer Group (CG). Comments were received from the Office of the Utilities Consumer Advocate (UCA) on June 20, 2008. On June 23, 2008, the CG filed a revised submission to their original comments which had been filed on June 18, 2008. The revised submission was filed to correct certain errors which had been identified in their original submission. EEAI submitted Reply on July 2, 2008. For the purpose of this proceeding, the Commission considers that the record closed on July 2, 2008.

## 2 THE APPLICATION

The forecast RRT revenue requirements for EEAI, revised to reflect the Board's directions in Decision 2008-031, are \$37.9 million in 2007, \$38.6 million in 2008 and \$38.2 million in 2009.<sup>3</sup> A summary of EEAI's total RRT revenue requirement for 2007-2009 as filed in the Original Application and as refiled in the Refiling Application, reflecting the Board's directions in Decision 2008-031, is presented as follows:

**Table 1. Summary of EEAI's Total RRT Revenue Requirement for 2007-2009 and Impact of Board Directions from Decision 2008-031**

Cost Category	2006		2007		2008		2009	
	Actual RRT Revenue Requirement (\$ millions)	Forecast RRT Revenue Requirement As Applied For (\$ millions)	Forecast RRT Revenue Requirement (\$ millions)	Refiled RRT Revenue Requirement (\$ millions)	Forecast RRT Revenue Requirement As Applied For (\$ millions)	Refiled RRT Revenue Requirement (\$ millions)	Forecast RRT Revenue Requirement As Applied For (\$ millions)	Refiled RRT Revenue Requirement (\$ millions)
Customer Service Costs	21.3	19.0	19.2	19.2	18.4	19.1	17.4	18.3
RRT Operations Costs	5.6	6.7	6.0	6.0	6.8	6.2	7.3	6.6
Corporate Allocations	7.6	5.3	5.2	5.2	5.5	5.4	5.5	5.4
Other Costs	6.4	4.6	4.6	4.6	4.9	4.9	4.9	4.9
Non-Energy Return	2.7	6.4	2.9	2.9	6.6	3.0	6.7	3.0
<b>Total Non-Energy Revenue Requirement</b>	<b>43.6</b>	<b>42.0</b>	<b>37.9</b>	<b>37.9</b>	<b>42.2</b>	<b>38.6</b>	<b>41.8</b>	<b>38.2</b>
Additional Energy Return	N/A	7.9	0	0	7.6	0	9.4	0
<b>Total Non-Energy &amp; Energy Revenue Requirement</b>	<b>N/A</b>	<b>49.9</b>	<b>37.9</b>	<b>37.9</b>	<b>49.8</b>	<b>38.6</b>	<b>51.2</b>	<b>38.2</b>

<sup>3</sup> Refiling Application, Appendix L, Row 40 Column O, pg. 1-3

Complete details of EEAI's total revenue requirement as refiled in the Refiling Application are presented in Appendix 1 of this Decision. For convenience, the Board Directions from Decision 2008-031 are included as Appendix 2 and Appendix 3 to this Decision. Appendix 2 contains the Board Directions that have been addressed in the Refiling Application and Appendix 3 contains the Board Directions that are to be addressed in EEAI's next RRT Non-Energy Application.

### **3 DISCUSSION OF ISSUES**

#### **3.1 Board Direction No. 3 – Management Savings Plan**

In Decision 2008-031, the Board directed EEAI as follows:

Therefore, the Board directs EEAI in the Refiling to include the new Management Savings Plan in compensation expense. The Management Saving Plan costs should be specifically included in forecast fringe benefit costs given that it represents a benefit that is paid to management employees and EEAI has discussed the new savings plan in Section 1.6.6, Common Assumptions – Fringe [Benefit Costs], in the Application.

In its Refiling Application, EEAI indicated that:

EEAI has included the 2007 to 2009 Forecast costs of the new Management Savings Plan in its compensation expenses, as reflected in Financial Schedule 9 (row 20).<sup>4</sup>

In comments submitted by CG in the Refiling Application, CG referenced the Board's Direction and EEAI's response and then stated the following:

... while Appendix L for 2007-2009 shows the addition of \$.02M in 2007, \$.04M in 2008 and \$.04M in 2009 related to Board Direction No. 3; CG notes Appendix L does not show the offsetting reduction that should arise from shifting these costs from the management expense category to benefit/compensation expenses. The net impact of this direction on the revenue requirement should be zero; not an addition to the revenue requirement, as shown in Appendix L.<sup>5</sup>

Similarly in the Refiling Application, UCA submitted comments which stated:

In Appendix L, EEAI has increased fringe benefits by \$20,000, \$40,000 and \$40,000 in the test years to include the costs associated with the Management Savings Plan which commenced July 1, 2007. This appears to be in accordance with Board Direction No. 3. However, as noted at page 106 of the Application, these costs were originally included with Management Expense. The UCA would have expected an equal and offsetting expense to Management Expense but cannot see where this has occurred.

In its Reply, EEAI stated that in the Original Application in its response to BR-EEAI-088 b), EEAI had made it clear that the full amount of the Management Savings Plan had been

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<sup>4</sup> Refiling Application No. 1573623, Financial Schedules

<sup>5</sup> Appendix L – RRT Revenue Impact of Board Directions – 2007, Included as part of the Refiling Application No. 1573623

incorrectly allocated to non-RRT and was reflected as such in EEAI's Application. EEAI further stated:

EEAI has discovered that due to an error, the costs related to the employee savings program were inadvertently added to line 3 of Table 3.1.7-4 rather than line 1. As line 3 relates to non-RRT costs where no variance explanation were provided, the employee savings program did not appear in any of the RRT variance explanations.

EEAI will shift the costs related to the employee savings program from row 3 of Table 3.1.7-4 to row 1 at the time of a refiling.

The Commission is persuaded by EEAI and accepts the adjustment that EEAI made as part of its refiling in the current Refiling Application. Therefore, the Commission is satisfied that EEAI has adequately addressed Board Direction No. 3 and that no further adjustment is required. Accordingly, the Commission considers that EEAI has complied with Board Direction No. 3 regarding the Management Savings Plan as presented in the Refiling Application.

### **3.2 Board Direction No. 5 – Long Term Incentive Program (LTI)**

In Decision 2008-031, the Board directed EEAI as follows:

Accordingly, the Board directs EEAI in its Refiling to remove all forecast LTI costs, including all LTI amounts included for both EEAI "native" amounts and amounts from the corporate allocation, from its revenue requirement for 2007, 2008 and 2009.<sup>6</sup>

EEAI submitted in its Refiling Application that it has removed from its revenue requirement for each of 2007, 2008 and 2009 all forecast LTI costs relating to corporate allocations. The exclusion of these costs is reflected in Appendix J, Table 1.2.1-2 (row 19). EEAI has further submitted that it has discovered that due to an error, EEAI "native" amounts presented in Table 1.6.4-1 were allocated to non-RRT customers and, as such, no adjustment is required in respect of the "native" LTI amounts referred to in the Board's direction.

CG noted that the amount of LTI included in the Original Application was \$0.02 million for each test year, 2007 to 2009, for native EEAI (existing participants) and \$0.01 million in 2007, \$0.02 million in 2008 and \$0.03 million in 2009 for native EEAI (new participant) and \$0.12 million in 2007, \$0.13 million in 2008 and \$0.14 million in 2009 for the corporate allocation portion of LTI, based on data provided in Application Tables 1.6.4-1 and 4.1.3.10-1.<sup>7</sup> Therefore, the total reductions for LTI should be \$0.15 million in 2007, \$0.17 million in 2008 and \$0.19 million in 2009. However, CG noted that Appendix L shows a reduction for Direction 5 LTI in the amounts of \$0.10 million in 2007, \$0.11 million in 2008 and \$0.12 million in 2009, a difference of \$0.05 million, \$0.07 million and \$0.07 million per year, which is not explained by EEAI's apparent oversight. As a result, CG stated that EEAI should be directed to explain the discrepancy and/or make the appropriate correction as part of its next refiling.

The UCA noted that EEAI reduced Corporate LTI by \$100,000, \$110,000 and \$120,000 in Appendix L but did not reduce the EEAI portion of LTI totaling \$30,000, \$40,000 and \$50,000

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<sup>6</sup> Section 3.5.6, Compensation and Labour Escalation – Long Term Incentive Program, page 46

<sup>7</sup> EEAI RRT Application, Table 1.6.4-1, page 101; Table 4.1.3.10-1, page 390

in the three test years “due to an error” where “native amounts were allocated to non-RRT customers and, as such, no adjustment is required in respect of the native amounts...”

The UCA submitted that it had two concerns with respect to LTI. The allocation of Corporate LTI to EEAI was shown in Table 4.1.3.10-1.<sup>8</sup> The UCA noted that 13.8% of the Corporate LTI was allocated to EEAI and as shown in Table 1.2.1-1 Refiled,<sup>9</sup> 55.7%, 56.0% and 54.2% was allocated to the RRT. Based on Line 2, Table 4.1.3.10-1, UCA estimated the reduction to Corporate LTI to be \$0.19 million for 2007, \$0.21 million for 2008 and \$0.23 million for 2009. As a result, the UCA stated that the Corporate LTI reduction allocated to RRT in the Refiling Application was understated.

With respect to the “error” which allocated the non-corporate LTI to non-RRT, the UCA stated that it was unable to confirm that the amounts shown in Table 1.6.4-1 were not allocated to the RRT.<sup>10</sup> Thus, the UCA stated that EEAI should provide further information to demonstrate that was indeed the case.

In its Reply, EEAI has provided a table showing a detailed calculation of the amount of corporate LTI that has been removed on an annual basis for the period 2007-2009, in accordance with the Board’s direction.<sup>11</sup> EEAI noted that the allocator for corporate LTI is All Sites (as per Financial Schedule 2, 2.1 and 2.2, row 147). Therefore, the allocation percentages to RRT for 2007, 2008 and 2009 should be 59.0%, 58.5% and 56.3%, respectively for 2007-2009.<sup>12</sup> The Commission considers that EEAI’s table provides the complete calculation of the Corporate LTI being allocated to RRT that is being removed over the three year period as a result of the Board direction, in support of LTI estimates originally provided in Appendix L in the Refiling Application.

In addition, with respect to the UCA’s request for further information to demonstrate that native LTI amounts were allocated to non-RRT customers in error, EEAI noted that the incorrect allocation occurred at a lower, more detailed level (i.e., the account level) than is shown in the Original Application. EEAI considers that it has stated clearly and unequivocally that the native LTI amounts were allocated to non-RRT customers in error in its Refiling Application. The Commission agrees with EEAI that the UCA has raised no reasonable basis for the Commission to question whether this error was reflected in EEAI’s Original Application. As a result, the Commission accepts EEAI’s statement in its Refiling Application that due to an error, EEAI “native” amounts presented in Table 1.6.4-1 were allocated to non-RRT customers and, as such, no adjustment is required in respect of the “native” LTI amounts referred to in the Board’s direction.

Accordingly, for all of these reasons, the Commission considers that EEAI has complied with Board Direction No. 5 regarding LTI as presented in the Refiling Application.

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<sup>8</sup> EEAI RRT Application, Table 4.1.3.10-1, page 390

<sup>9</sup> Appendix J, Table 1.2.1-1, line 39

<sup>10</sup> EEAI RRT Application, Table 1.6.4-1, page 101

<sup>11</sup> Refiling Application, page 5

<sup>12</sup> Refiling Application, pages 4-5

### 3.3 Board Direction No. 6 – Escalation for “Other” Costs

In Decision 2008-031, the Board directed EEAI as follows:

Accordingly, the Board accepts EEAI’s alternative forecast of “Other” Cost escalation rates presented in Table BR-EEAI-030-1, provided in response to BR-EEAI-030(c), and directs EEAI to incorporate this alternative revised “Other” Cost escalation rate forecast for 2007-2009 in its Refiling.<sup>13</sup>

EEAI submitted in its Refiling Application that it has incorporated the alternative “Other” cost escalation rate forecast for 2007 to 2009, as reflected in Appendix J, Table 1.6.2.2-1 (row 7).

CG noted that the alternative “other” cost escalation factors forecast for 2007-2009 were consistent with the data provided in the table listed in BR-EEAI-30 (c), as provided in Appendix I of the Refiling Application. However, it was unclear to the CG how the cost impacts of the resulting increases of \$140,000 in 2007, \$170,000 in 2008 and \$150,000 in 2009 shown in Appendix L were calculated. Therefore, CG submitted that EEAI should be directed to provide this information in its next refiling.

In its Reply, EEAI submitted that providing this information would be extremely time-consuming and that CG has provided no reasonable basis for requiring the information, such that EEAI should not be required to provide the information in a further refiling.

However, in order to respond to CG’s concerns, EEAI has prepared a table in its Reply which provides the costs to which the “other” cost escalation factor is applied and the difference between the costs using the applied-for “other” escalation factor versus the refiled “other” cost escalation factor. In this table, EEAI has applied the alternative forecast inflation percentages for “other” costs that were presented in Table 1.6.2.2-1 of the Refiling Application, which is similar to Table BR-EEAI-030-1 as originally presented in BR-EEAI-030(c). The Commission further notes that the annual increase in “other” costs allocated to RRT customers for 2007-2009, as shown in the table, is almost the same as the increase in “other” costs as shown in column E, row 40 of Appendix L as filed in the Refiling Application. EEAI has confirmed in Reply that the variance is due to rounding and the high level nature of the calculation, e.g. the “All Sites” allocator has been used to estimate the RRT increase in “Other” costs. Therefore, the Commission considers that EEAI has responded to CG’s concerns and has complied with Board Direction No. 6 regarding the “other” cost escalation rate forecast as presented in the Refiling Application.

### 3.4 Board Direction No. 13 – Late Payment Charges

In the Original Application the Board directed EEAI as follows:

Accordingly, the Board directs EEAI to calculate the forecast ratio for Late Payment Charges based on the four-year average using 2003-2006 as recommended by CG and to incorporate this ratio for calculation of the Late Payment Charges in the Refiling.

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<sup>13</sup> Section 3.5.7.2, Escalation for Other, page 48

In its Refiling Application, EEAI indicated that:

EEAI has calculated the forecast ratio for Late Payment Charges based on the four-year average using 2003 to 2006 as recommended by CG, and the ratio for calculation has been incorporated into the Late Payment Charges in the refiling. The calculation of the forecast ratio is presented in column E of Appendix J, Table 3.1.8-2, and the corresponding changes to Late Payment Charges are shown in columns F, G, and H of the table.<sup>14</sup>

CG submitted that the data in EEAI's response in the Refiling Application was inconsistent with the response that EEAI provided in the Original Application in CG.EEAI-16, Table 3.1.8-2.<sup>15</sup> CG stated that the response to CG.EEAI-16 showed:

...the 2003 Fortis late payment amount to be \$2.46 M; whereas the Refiling shows it as \$2.30 M. As noted at page 52 of the CG Argument in the primary application (Application No. 1512342), the Fortis RRT late payment charge ratio is 0.54%, based on a four-year average using the data provided in CG.EEAI-16, Table 3.1.8-2 (Expanded), and as compared to the 0.53% used in EEAI's 2007-2009 Refiling.

EEAI in its Reply addressed CG's concern and noted that:

In 2004, due to system improvements, EEAI was able to track late payment charges by customer category.

As a result of the revision to the 2003 EDTI and Fortis RRT late payment charges, the Fortis 4 year average late payment charge ratio went from 0.54% as reflected in EEAI's response to CG-EEAI-016 a) to 0.53% as reflected in the Refiling. The EDTI 4 year average late payment charge ratio did not change.

The Commission noted that, in the Refiling Application, there had been a change in revenues used for Fortis and EDTI RRT in the derivation of Late Payment Charges and Bad Debt relative to the revenues used in the Original Application.

EEAI indicated in its Reply that the RRT revenues on which 4 year average ratios are applied changed between the Original Application and the Refiling Application. EEAI further stated that the reductions in RRT revenues are the result of the impacts of the Board's Directions and, as such, the calculation of Late Payment Charges in the Refiling Application has been updated to be consistent with the Board's Directions from Decision 2008-031.<sup>16</sup>

The Commission accepts EEAI explanation and accepts the adjusted calculation that EEAI submitted in the Refiling Application. Therefore, the Commission is satisfied that EEAI has adequately addressed Board Direction No. 13.

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<sup>14</sup> Appendix J – Revised Tables, Includes as part of the Refiling Application No. 1573623

<sup>15</sup> Original Application, EEAI RRT Non-Energy Charge, Application No. 1512342

<sup>16</sup> Refiling Application No. 1573623, EEAI Reply, pages 8-9

### 3.5 Board Direction No. 16 – Bad Debt Expense

In Decision 2008-031, the Board directed EEAI as follows:

Accordingly, the Board directs EEAI in the Refiling to use a weighting of 3 for 2006 actual, 2 for 2005 actual and 1 for 2004 actual, on a customer class basis, in order to estimate the Bad Debt expense for each of the test years of 2007, 2008 and 2009.<sup>17</sup>

In the Refiling Application, EEAI indicated that it has used a weighting of 3 for 2006 Actual, 2 for 2005 Actual and 1 for 2004 Actual on a customer class basis in order to estimate Bad Debt expense for 2007 to 2009, as reflected in Appendix J, Table 3.2.5-2 (columns D, E, and F).

Using the 3:2:1 ratio approach approved by the Board in Decision 2008-031, EEAI found the weighted average for the Oil and Gas rate class in the Fortis territory to be negative 0.01%.<sup>18</sup> Consequently, EEAI determined it would use a weighted rate of 0%.<sup>19</sup>

CG submitted that the Board was well aware of this result when it approved the revised method. In its argument in the EEAI RRT proceeding,<sup>20</sup> CG provided a table indicating this as a likely result for the Oil and Gas rate class. CG also noted that there was no direction from the Board to use a rate of zero when the weighted average rate is negative. CG submitted that given the negative 0.20% actual Bad Debt experience in 2006 and the most recent of the 3 years of actual data available, use of a negative weighted average percentage was not unreasonable.<sup>21</sup> Moreover, CG submitted that giving more weight to the most recent experience was entirely consistent with the Board findings:

This approach accounts for the three years of actuals directed in Decision 2006-055, gives the greatest weight to the recent Bad Debt experience, and gives the least weight to the Bad Debt experience in 2004. In doing so, this approach also addresses EEAI's concerns respecting events that have short term effects on Bad Debt.<sup>22</sup>

CG recognized, in this instance, that the impact of using negative 0.01% instead of 0% is rather immaterial (e.g., in 2007, using -0.01% weighted average rate to the \$2.74 million of Oil and Gas forecast revenue is only \$274). However, CG submitted that EEAI should be directed not to automatically round up to zero when the weighted average ratio is a negative percentage. CG submitted that the use of the 3:2:1 weighted average method is designed in such a way that it may yield a positive or negative result. CG stated that moving to a zero percentage when the weighted average is negative effectively disregards Board Direction No. 16.

In Reply, EEAI noted that a negative Bad Debt percentage reflects a higher recovery of debts previously written off than current write offs. In order to recover bad debts, EEAI stated that it must first write off the debts in question. EEAI stated that recoveries in excess of write offs over the three year test period does not represent a reasonable approach and results from the heavy weighting assigned to a year having a net recovery in the base calculation years. EEAI further

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<sup>17</sup> Section 6.2.5, Bad Debt Expense, page 98

<sup>18</sup> Table 3.2.5-1

<sup>19</sup> See Footnote 1 in Table 3.2.5-1

<sup>20</sup> Application 1512342, page 57

<sup>21</sup> EEAI 2007-2009 GTA, Table 3.2.5-1, L12, Col. E; EEAI 2007-2009 GTA Refiling, Appendix J, Table 3.2.5.1, L12, Col. J

<sup>22</sup> Decision 2008-031, page 98

stated that net bad debt recovery over the three year test period is not a plausible expectation. As a result, EEAI submitted that the approach it took in terms of assigning a neutral bad debt percentage is both reasonable and fair.

The Commission notes that under normal circumstances, Bad Debt write offs are generally in excess of recoveries. Occasionally, recoveries can exceed write offs in a given year. With respect to the Oil and Gas rate class in the Fortis territory, the Bad Debt percentages were 0.21% for 2004, 0.16% for 2005 and -0.20% for 2006. Applying the 3:2:1 (2006:2005:2004) approach, the weighted average for the Oil and Gas rate class in the Fortis territory produces a result of negative 0.01%.<sup>23</sup>

For the most part, the Commission considers that the 3:2:1 (2006:2005:2004) approach addresses general concerns respecting events that have short term effects on Bad Debt. However, in this instance, the approach does appear to give too much weight to an unusual outcome - i.e. it gives the greatest weight to a year when there is a negative Bad Debt percentage, reflecting the fact that there was a higher recovery of debts previously written off than current write offs during the year. However, the Commission agrees with EEAI that projecting an outcome in which recoveries are in excess of write offs over the three year test period does not represent a reasonable approach. This outcome results from the heavy weighting assigned to a year having a net recovery in the base calculation years, given that the Bad Debt percentage was -0.20% in 2006.

In these unusual circumstances, the Commission considers that EEAI took a reasonable approach by assigning a neutral bad debt percentage, or 0%, for the Oil and Gas rate class in the Fortis territory for the test years 2007-2009, in order to eliminate the unlikely possibility of a net bad debt recovery for the Oil and Gas rate class over the three year test period. The Commission further considers that this alternate approach taken by EEAI represents a rare exception with respect to the application of the 3:2:1 (2006:2005:2004) approach, and is not normally required in most circumstances.

Accordingly, for all of these reasons, the Commission considers that EEAI has complied with Board Direction No. 16 regarding Bad Debt expense as presented in the Refiling Application.

### **3.6 Board Direction No. 22 – Refiling Process**

In Decision 2008-031, the Board directed EEAI as follows:

The Board directs EEAI, in its Refiling, to calculate the difference between the revenue collected on existing 2007 and 2008 rates and the revenue that would have been collected on final 2007 and 2008 rates for the period January 1, 2007 to December 31, 2008, and to propose a method of collecting or refunding this difference from/to customers.<sup>24</sup>

In the Refiling Application, EEAI submitted that:

Appendix I shows the calculation of the difference between the revenue collected by EEAI from customers in 2007 and 2008 (January 1, 2007 to July 31, 2008) on an interim basis using the non-energy charge and the bad debt expense deferral account that were

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<sup>23</sup> Table 3.2.5-1

<sup>24</sup> Section 11, Refiling Process, page 121

approved in U2006-316 and U2006-317 and the revenue that would have been collected from customers under the final 2007 and 2008 rates approved by the Board over the same period.

With respect to the non-energy charge, the difference between the two amounts (column H) is an over-recovery of \$8.00 million for 2007 (row 12) and \$4.01 million for 2008 year-to-date (row 24). The difference resulting from the bad debt expense deferral account (column K) is an under-recovery of \$0.74 million in 2007 and \$0.48 million in 2008 year-to-date.

EEAI proposes to refund the net of the above amounts to each customer category over a five month period starting on August 1, 2008 and terminating on December 31, 2008...<sup>25</sup>

Based on a review of Appendix I, which calculates the amount of refund owed to each customer class, as well as EEAI's proposal to implement a refund over the period August 1, 2008 to December 31, 2008, CG agreed with the computations of the true-up, as well as the proposed method for refunding the excess amounts collected in 2007 and 2008. However, CG noted that EEAI had not provided any details in respect of the Bad Debt Expense Deferral Account (BDDA) shown in Column A of Appendix I. As a result, CG submitted that EEAI should be directed to file appropriate and sufficient supporting documentation in respect of the BDDA for the years 2007 and 2008.

ASBG/PGA noted that while Appendix I of the Refiling, regarding the proposed True-Up Method, provides calculations for a true-up by customer type, between the existing and approved rates and the BDDA for the period January 2007 to June 2008, the supporting derivations of the proposed true-up for the BDDA by customer type have not been provided in the Refiling. ASBG/PGA noted that the proposed true-up for the BDDA is particularly significant for irrigation service. Appendix I indicated that the BDDA amounts are for Quarter 1 – Quarter 4 of 2007 and Quarter 1 – Quarter 2 of 2008. In addition, ASBG/PGA noted that the spreadsheet calculations in Appendix I do not appear to reflect the 75% factor that is to be applied to the under-collected amounts. As a result, ASBG/PGA submitted that EEAI has proposed a new true-up mechanism and should provide the detailed supporting calculations by customer type for the proposed BDDA adjustments as part of the Refiling for the period January 2007 through July 2008.

The UCA did not oppose refunding the over-recovery of RRT amounts over the five month period proposed by EEAI, subject to any adjustments to the amounts proposed as a result of the noted issues submitted in its comments and a separate true-up of over-recoveries and refunds for seasonal customers.

The Commission notes that in its Reply, EEAI has responded to parties' comments by providing a table showing Bad Debt True-up calculations or details by rate class for 2007 and 2008.<sup>26</sup> EEAI has submitted that the BDDA adjustment amount equals 75% of the difference between the Interim Bad Debt % and the Refiled Bad Debt % applied to the forecast revenue as shown in the table.

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<sup>25</sup> Section 2.14, Board Direction No. 22, page 8

<sup>26</sup> Refiling Application, page 14

The Commission further notes EEAI's response with respect to the UCA's comments about a "separate true-up" of over recoveries and refunds for seasonal customers, given that neither EEAI nor the ASBG/PGA has proposed such a measure for seasonal customers. In addition, the Commission notes that the UCA has not explained why such a measure is necessary or would be appropriate. As noted by EEAI, the seasonal irrigation customers will receive their true-ups via the non-energy charges on their bills spanning the true-up period approved by the AUC. As a result, the Commission does not consider that there should be a separate true-up of over recoveries and refunds for seasonal customers.

Accordingly, for all of these reasons, the Commission considers that EEAI has complied with Board Direction No. 22 regarding the Refiling Process as presented in the Refiling Application.

### 3.7 Other Board Refiling Directions

In this Decision, the Commission has only provided its comments and determinations regarding the Board Directions from the Refiling Application in which parties have presented comments of concern or issues about the specific Direction. The Commission has reviewed EEAI's responses for the remaining Refiling Directions that have been addressed in the Refiling Application and is satisfied that EEAI has adequately addressed and responded to all of the remaining Refiling Directions. Accordingly, the Commission considers that EEAI has complied with all of the remaining Board Directions as presented in the Refiling Application.

## 4 CONCLUSION

Based on the information contained in the Refiling Application and for the reasons expressed in this Decision, the Commission approves EEAI's revenue requirement for 2007-2009 as follows:

Table 2. EEAI's RRT Revenue Requirement for 2007-2009 as Approved by the Commission

Cost Category	2007	2008	2009
	Commission Approved RRT Revenue Requirement (\$ millions)	Commission Approved RRT Revenue Requirement (\$ millions)	Commission Approved RRT Revenue Requirement (\$ millions)
Total Non-Energy Revenue Requirement	37.9	38.6	38.2
Additional Energy Return	0	0	0
Total Non-Energy & Energy Revenue Requirement	37.9	38.6	38.2

The calculation of the difference between the revenue collected by EEAI from customers in 2007 and 2008 (January 1, 2007 to July 31, 2008) on an interim basis using the non-energy charge and the Bad Debt Expense Deferral Account that were approved in [U2006-316](#)<sup>27</sup> and [U2006-317](#)<sup>28</sup> and the revenue that would have been collected from customers under the final 2007 and 2008 rates approved by the Board over the same period is presented in Appendix 4 of this Decision.<sup>29</sup>

<sup>27</sup> Order U2006-316 - EPCOR Energy Inc. 2007 Interim Regulated Rate Tariff (Application No. 1485497) (Released: December 14, 2006)

<sup>28</sup> Order U2006-317 - EPCOR Energy Alberta Inc. 2007 Interim Regulated Rate Tariff (Application No. 1485498) (Released: December 14, 2006)

<sup>29</sup> Appendix I from the Refiling Application

With respect to the Non-Energy Charge, the difference between the two amounts<sup>30</sup> is an over-recovery of \$8.00 million for 2007<sup>31</sup> and \$4.01 million for 2008 year-to-date.<sup>32</sup> The difference resulting from the Bad Debt Expense Deferral Account<sup>33</sup> is an under-recovery of \$0.74 million in 2007 and \$0.48 million in 2008 year-to-date.

EEAI proposed to refund the net of the above amounts to each customer category over a five month period starting on August 1, 2008 and terminating on December 31, 2008. The adjustments for the Non-Energy Charge and the Bad Debt Expense Deferral Account by month over the five months are shown in column M of Appendix 4 to this Decision. The proposed monthly rates (sum of the final rates and the adjustments) by customer category are shown in column N of Appendix 4.

A Bill Comparison by rate class for a typical customer showing the 2008 approved non-energy rates in comparison to the rates with the proposed non-energy true-up rate rider for the five month period starting on August 1, 2008, is presented in the following table:

**Table 3. Bill Impacts for Non-Energy Charge True-Ups Over a Five Month Period (August 1, 2008 to December 31, 2008)**

Rate Class Description	June 2008 RRO Bill	August 2008 RRO Bill	June 2008 Non-Energy Charge	August 2008 Non-Energy Charge	Non-Energy True-up Refund Rate Rider	% Change from June 2008 Bill
EDTI - Residential	\$ 83.49	\$ 79.17	\$ 6.38	\$ 2.06	\$ (4.32)	-5.2%
EDTI - Small Commercial	\$ 311.76	\$ 305.70	\$ 6.15	\$ 0.09	\$ (6.06)	-1.9%
EDTI - Security Lights	\$ 14.58	\$ 10.18	\$ 6.09	\$ 1.69	\$ (4.40)	-30.2%
Fortis Alberta - Residential	\$ 93.18	\$ 88.88	\$ 6.24	\$ 1.94	\$ (4.30)	-4.6%
Fortis Alberta - Farm	\$ 238.72	\$ 233.29	\$ 6.13	\$ 0.70	\$ (5.43)	-2.3%
Fortis Alberta - Irrigation	\$ 740.79	\$ 734.38	\$ 7.36	\$ 0.95	\$ (6.41)	-0.9%
Fortis Alberta - Small Commercial	\$ 302.87	\$ 297.57	\$ 5.59	\$ 0.29	\$ (5.30)	-1.7%
Fortis Alberta - Oil & Gas	\$ 606.74	\$ 599.07	\$ 5.20	\$ (2.47)	\$ (7.67)	-1.3%
Fortis Alberta - Lighting	\$ 765.23	\$ 762.97	\$ 6.01	\$ 3.75	\$ (2.26)	-0.3%

Complete details of the Bill Comparison by rate class and customer type are presented in Appendix 5 of this Decision.

The final EEA Terms and Conditions are attached as Appendix 8 to this Decision.

<sup>30</sup> Appendix 4, column H

<sup>31</sup> Appendix 4, row 12

<sup>32</sup> Appendix 4, row 24

<sup>33</sup> Appendix 4, column K

## 5 ORDER

For and subject to the reasons set out in this Decision, IT IS HEREBY ORDERED THAT:

- (1) EPCOR Energy Alberta Inc.'s RRT Price Schedules applicable to the EPCOR Distribution & Transmission Inc. (EDTI) service area attached as Appendix 6 to this Order and EPCOR Energy Alberta Inc.'s RRT Price Schedules applicable to FortisAlberta Inc. (Fortis) service area attached as Appendix 7 to this Order are approved on a final basis effective August 1, 2008.
- (2) EPCOR Energy Alberta Inc. shall implement the Non-Energy Charges contained in Appendix 6 and Appendix 7 of this Order on a final basis effective August 1, 2008.
- (3) EPCOR Energy Alberta Inc. shall recover from (refund to) RRT customers the under-recovery (over-recovery) of revenues arising from the difference between interim and final rates for the period January 1, 2007 to July 31, 2008 inclusive, by implementing revised Non-Energy Charges, representing the sum of the final rates and the Non-Energy refund rate riders, for each rate class as detailed in Appendix 4 of this Order for the five month period starting on August 1, 2008 and terminating on December 31, 2008.

Dated in Calgary, Alberta on July 23, 2008.

### ALBERTA UTILITIES COMMISSION

*(original signed by)*

Carolyn Dahl Rees  
Vice-Chair



**APPENDIX 1 – EEAI 2007-2009 TOTAL RRT REVENUE REQUIREMENT SUMMARY  
OF COSTS**



Appendix 1.xls

(consists of 1 page)

## **APPENDIX 2 – COMPLETED BOARD DIRECTIONS FROM DECISION 2008-031**



Appendix 2  
Completed Board Dire

(consists of 3 pages)

## **APPENDIX 3 – OUTSTANDING BOARD DIRECTIONS FROM DECISION 2008-031**



Appendix 3 -  
Outstanding Board Di

(consists of 2 pages)

**APPENDIX 4 – SUMMARY OF EEAI 2007-2009 DIFFERENCES BETWEEN INTERIM RATE NON-ENERGY CHARGE REVENUES & FINAL RATE NON-ENERGY CHARGE REVENUES TO BE TRUED-UP OVER A FIVE MONTH PERIOD – AUGUST 1, 2008 TO DECEMBER 31, 2008**



Appendix 4.xls

(consists of 1 page)

## APPENDIX 5 – EEAI 2008-RRO BILL COMPARISON



Appendix 5 - Bill  
Comparison.xls

(consists of 1 page)

**APPENDIX 6 - PRICE SCHEDULE APPLICABLE TO REGULATED RATE TARIFF  
CUSTOMERS WITHIN THE CITY OF EDMONTON - EFFECTIVE  
AUGUST 1, 2008**



Appendix 6 - Price  
Schedules RRT Custo

(consists of 5 pages)

**APPENDIX 7 - PRICE SCHEDULE APPLICABLE TO REGULATED RATE TARIFF  
CUSTOMERS OUTSIDE THE CITY OF EDMONTON - EFFECTIVE  
AUGUST 1, 2008**



Appendix 7 - Price  
Schedule (Outside).doc

(consists of 8 pages)

**APPENDIX 8 – EEAI REGULATED RATE TARIFF TERMS AND CONDITIONS –  
EFFECTIVE AUGUST 1, 2008**



Appendix 8 - Terms  
and Conditions.doc

(consists of 19 pages)

## EEAI 2007-2009 TOTAL RRT REVENUE REQUIREMENT SUMMARY OF COSTS

## Changes from Board Directions (\$ Millions)

Category	2007			2008			2009		
	Total RRT Originally Filed	Total Board Impacts	Total RRT Refiled	Total RRT Originally Filed	Total Board Impacts	Total RRT Refiled	Total RRT Originally Filed	Total Board Impacts	Total RRT Refiled
<b>CUSTOMER SERVICE COST</b>									
Revenue Offsets	(5.49)	(0.39)	(5.88)	(5.59)	(0.41)	(6.01)	(5.84)	(0.44)	(6.28)
EEI Flow-Thru Revenue & Expenses	-	-	-	-	-	-	-	-	-
Management Expenses	1.91	0.00	1.91	2.13	0.03	2.15	2.07	0.03	2.09
Workplace & Learning	0.93	0.04	0.97	0.97	0.08	1.05	1.01	0.08	1.09
Analytics	0.26	0.01	0.28	0.28	0.03	0.31	0.30	0.03	0.33
Call Centre Expense	5.25	0.13	5.38	5.06	0.27	5.34	5.04	0.28	5.32
Billing Expenses	6.31	0.17	6.48	6.21	0.19	6.40	6.10	0.30	6.40
Enrollment Expenses	1.23	0.05	1.28	1.31	0.11	1.42	1.34	0.13	1.47
Collections Expenses	1.46	0.04	1.51	1.51	0.08	1.59	1.51	0.10	1.61
Information Systems Expenses	7.17	0.14	7.32	6.53	0.33	6.86	5.88	0.35	6.24
Property Taxes	0.10	-	0.10	0.10	-	0.10	0.10	-	0.10
Depreciation Expenses	4.57	0.00	4.57	4.53	0.00	4.53	4.61	0.01	4.62
Total Return Margin	14.35	(14.35)	-	14.27	(14.27)	-	16.11	(16.11)	-
True-Up of Cap Projects Deferral Acct	(0.04)	-	(0.04)	-	-	-	-	-	-
Return on Equity	0.00	0.82	0.82	(0.00)	0.83	0.83	0.00	0.80	0.80
Cost of Debt	(0.00)	0.98	0.98	0.00	0.97	0.97	0.00	0.94	0.94
EEI Unbillable Estimate	0.35	(0.09)	0.26	0.36	(0.09)	0.27	0.39	(0.10)	0.29
EEAI Unbillable Estimate	0.30	(0.07)	0.22	0.30	(0.07)	0.22	0.33	(0.08)	0.25
Cost of Tax	-	0.36	0.36	-	0.35	0.35	-	0.34	0.34
<b>Total CUS Expenses</b>	<b>38.66</b>	<b>(12.15)</b>	<b>26.52</b>	<b>37.98</b>	<b>(11.59)</b>	<b>26.39</b>	<b>38.94</b>	<b>(13.34)</b>	<b>25.61</b>
<b>CORPORATE ALLOCATIONS</b>									
Corporate Allocation	3.75	(0.06)	3.69	3.85	(0.04)	3.80	3.90	(0.04)	3.86
Corporate Depr and Cost of Capital	1.56	-	1.56	1.62	-	1.62	1.57	-	1.57
<b>Total Corporate Allocation</b>	<b>5.30</b>	<b>(0.06)</b>	<b>5.24</b>	<b>5.47</b>	<b>(0.04)</b>	<b>5.42</b>	<b>5.47</b>	<b>(0.04)</b>	<b>5.43</b>
<b>RRT OPERATIONS</b>									
RRT Management	0.59	0.01	0.60	0.56	0.01	0.57	0.58	0.01	0.59
Energy Implementation Cost Recoveries	(0.11)	-	(0.11)	(0.11)	-	(0.11)	(0.11)	-	(0.11)
Load Validation & Settlement	1.03	-	1.03	1.05	-	1.05	1.08	-	1.08
WSP Credit Costs - EEA RRT	0.17	(0.06)	0.11	0.18	(0.06)	0.12	0.18	(0.06)	0.12
Bad Debt	3.51	(0.45)	3.06	3.62	(0.46)	3.16	3.91	(0.50)	3.41
Accounting Expense	0.83	0.02	0.85	0.87	0.05	0.92	0.92	0.06	0.98
Legal & Compliance	-	-	-	-	-	-	-	-	-
EEI HCRA Deferral A/C True-Up 2005-2006	(0.29)	-	(0.29)	-	-	-	-	-	-
EEAI HCRA Deferral A/C True-Up 2005-2006	(0.05)	-	(0.05)	-	-	-	-	-	-
EEAI Hearing Cost Reserve Account	0.14	-	0.14	0.14	-	0.14	0.14	-	0.14
EEI Hearing Cost Reserve Account	0.11	-	0.11	0.11	-	0.11	0.11	-	0.11
Cost of Working Capital	-	0.73	0.73	-	0.80	0.80	-	0.86	0.86
<b>Total RRT Operating Costs</b>	<b>5.91</b>	<b>0.25</b>	<b>6.17</b>	<b>6.43</b>	<b>0.33</b>	<b>6.75</b>	<b>6.80</b>	<b>0.37</b>	<b>7.17</b>
<b>Total</b>	<b>49.88</b>	<b>(11.95)</b>	<b>37.93</b>	<b>49.87</b>	<b>(11.30)</b>	<b>38.57</b>	<b>51.22</b>	<b>(13.01)</b>	<b>38.21</b>

Source: Appendix L in the EEA RRT Non-Energy Charge Refiling Application

**APPENDIX 2 – COMPLETED BOARD DIRECTIONS FROM DECISION 2008-031**

This section is provided for the convenience of readers and outlines the Board Directions from Decision 2008-031 that the Commission considers have been addressed appropriately in the Refiling Application. Board Directions not in this Appendix will be in Appendix 3, classified as outstanding Board Directions.

In the event of any difference between the Directions in this section and those in the main body of Decision 2008-031, the wording of the main body of Decision 2008-031 shall prevail.

3. Therefore, the Board directs EEAI in the Refiling to include the new Management Savings Plan in compensation expense. The Management Savings Plan costs should be specifically included in forecast fringe benefit costs given that it represents a benefit that is paid to management employees and EEAI has discussed the new savings plan in Section 1.6.6, Common Assumptions – Fringe [Benefit Costs], in the Application. ....35
4. Based on the Board’s approval of the applied for STI plans for non-union employees and union employees, the Board directs EEAI in the Refiling to include a table presenting the forecast costs for the STI plans for 2007-2009. This summary STI forecast table should include the RRT portion of EEAI STI (or EEAI “native” amounts) and the RRT portion of Corporate STI (or corporate allocation of STI allocated to the RRT), and should be separately presented for the individual STI plans for non-union and union employees. In addition, the summary STI table should show all supporting calculations for the annual forecast costs for each of the STI programs (either in Word® or Excel® format), as well as include explanatory notes in order to assist in reviewing the table. ....42
5. Accordingly, the Board directs EEAI in its Refiling to remove all forecast LTI costs, including all LTI amounts included for both EEAI “native” amounts and amounts from the corporate allocation, from its revenue requirement for 2007, 2008 and 2009. ....46
6. Accordingly, the Board accepts EEAI’s alternative forecast of “Other” Cost escalation rates presented in Table BR-EEAI-030-1, provided in response to BR-EEAI-030(c), and directs EEAI to incorporate this alternative revised “Other” Cost escalation rate forecast for 2007-2009 in its Refiling. ....48
7. Accordingly, the Board directs EEAI to use the return on rate base approach in order to determine its RRT non-energy return for 2007-2009, consistent with the return on rate base approach that was filed in the EEAI/EEI 2005-2006 RRT proceeding and approved in Decision 2006-055. ....76
8. Accordingly, the Board directs EEAI to use a return on equity of 8.75% for 2008. The Board further directs EEAI to use the same 2008 return on equity of 8.75% for 2009, as a placeholder, until the Commission issues its next order determining the 2009 generic return on equity based on the adjustment formula established by the Board in Decision 2004-052. ....77

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9. The Board directs EEAI in its Refiling, to provide a revised Table BR-EEAI-078-2 that presents the forecast RRT non-energy returns for 2007-2009 according to the return on rate base approach that was filed in the EEAI/EEI 2005-2006 RRT proceeding and approved in Decision 2006-055, subject to the revisions based on the Board's directions in this Decision. To comply with this direction, the Board further directs EEAI to provide all of the supporting calculations and tables for the forecast returns, including all of the components of the forecast returns and the allocation to the RRT, for the years 2007, 2008 and 2009, as well as provide explanatory notes for the revised Table BR-EEAI-078-2 in order to assist the Board in understanding the calculations of forecast returns, including any assumptions that have been made. ....77
11. The Board directs EEAI to reduce the factors used for Live Offered Calls per Site by 5% for each test year using 2006 actuals as the base to calculate the first reduction for use in the 2007 test year. ....82
13. Accordingly, the Board directs EEAI to calculate the forecast ratio for Late Payment Charges based on the four-year average using 2003-2006 as recommended by CG and to incorporate this ratio for calculation of the Late Payment Charges in the Refiling. ....89
14. Accordingly, the Board directs EEAI in the Refiling to reduce its forecast Credit Cost rate from 0.92% to 0.60% for the period 2007-2009. ....93
16. Accordingly, the Board directs EEAI in the Refiling to use a weighting of 3 for 2006 actual, 2 for 2005 actual and 1 for 2004 actual, on a customer class basis, in order to estimate the Bad Debt expense for each of the test years of 2007, 2008 and 2009. ....98
18. Accordingly, the Board directs EEAI to take all necessary actions to recover from individual Property Owners the total Unbillable Energy and DSO Charges that have been incurred (that is, all costs that have been incurred from day 1 onwards) in instances where the individual account is still outstanding after 5 days - i.e., in instances when a new party or Customer of Record has not been registered at the site within the first five days. In order to reflect the potential reduction in Unbillable Energy and DSO Charges that could be realized as a result of this direction, the Board further directs EEAI in its Refiling to reduce annual Unbillable Energy and DSO Charges by 25% for 2007-2009. ....107
21. The Board generally directs EEAI to revise its forecast 2007-2009 RRT revenue requirement, proposed rates, proposed fees, and proposed Terms and Conditions in accordance with the directions set out in this Decision, and to refile these items with the Board no later than May 23, 2008. ....121
22. The Board directs EEAI, in its Refiling, to calculate the difference between the revenue collected on existing 2007 and 2008 rates and the revenue that would have been collected on final 2007 and 2008 rates for the period January 1, 2007 to December 31, 2008, and to propose a method of collecting or refunding this difference from/to customers. ....121
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- 23. The Board directs EEAI, in its Refiling, to provide an updated and revised version of Table 1.2.1-1 in the Application, presenting the total costs for 2004-2009 inclusive, that reflects all of EEAI’s revisions in the proceeding as well as the Board’s directions in this Decision and excludes the energy return (i.e., energy & income tax, which is presented in lines 33-37 in Table 1.2.1-1 in the Application). The Board also directs EEAI to provide an updated and revised version of Table 1.2.1-2 in the Application, presenting the RRT non-energy revenue requirement or total costs allocated to the RRT for 2004-2009 inclusive, that reflects all of EEAI’s revisions in the proceeding as well as the Board’s directions in this Decision and excludes energy return (i.e., energy & income tax, which is presented in lines 33-37 in Table 1.2.1-2 in the Application).....122
  
- 24. The Board directs EEAI, in the Refiling, to provide an updated version of the 2007-2009 RRT Interactive Model that reflects all of EEAI’s revisions made during the proceeding as well as the Board’s directions in this Decision. The Board also directs EEAI, in the Refiling, to provide a summary table that indicates the impact of each Board direction on the RRT revenue requirement for 2007-2009. In addition, the Board directs EEAI, in the Refiling, to provide a detailed reconciliation of the requested RRT non-energy revenue requirement for 2007-2009 in the Application to the final RRT non-energy revenue requirement, based on the Board’s determinations in this Decision.....122

**APPENDIX 3 – OUTSTANDING BOARD DIRECTIONS FROM DECISION 2008-031**

This section is provided for the convenience of readers and outlines the Board Directions from Decision 2008-031 that the Commission considers will remain outstanding until the next GTA. Any Board Directions not in this Appendix will be in Appendix 2, classified as completed Board Directions.

In the event of any difference between the Directions in this section and those in the main body of Decision 2008-031, the wording in the main body of Decision 2008-031 shall prevail.

1. Therefore, the Board directs EEAI, in its next tariff application, to investigate and report on the practices of ATCO Electric and Fortis with respect to Lighting sites and billing for Lighting customers. Using the site count practices of ATCO Electric and Fortis as a guideline, EEAI should provide an estimate of the unbilled Lighting revenue and provide its view of the materiality of this unbilled revenue estimate. ....17
2. Therefore, at the time of filing its next tariff application, the Board directs EEAI to provide compelling reasons supporting the justness of its current allocation methodology or to provide an alternative which adopts the site-month allocation method as proposed by ASBG, or an approach which provides for a similar result. ....21
10. Consistent with Item No. 2 in Board Direction No. 37 from Decision 2006-055, the Board directs EEAI to include in its next tariff application the following breakdown of costs:.....78  
All of the costs, including those presented in the tables, are to be submitted on both a total cost basis (i.e., costs before allocation, as is being primarily shown in the current 2007-2009 RRT Application) and on a RRT cost basis (i.e., costs allocated to the RRT, or costs after allocation). Within each of the tables that are presenting costs within the RRT Application, both sets of costs should be presented on a line by line basis. Also, in each of the tables that are presenting costs within the RRT Application, the percentage allocated to RRT should be provided for total costs in the cost category (i.e., the percentage can be shown for total costs only, consistent with the presentation in the current RRT Application, and do not need to be presented on a line by line basis). ....78
12. Therefore, the Board directs EEAI to file a study of the time spent by Customer Communications employees on providing information to both customers and employees, including a discussion of the impacts and potential use of the results as an allocator based on sites for the portion of time spent on employee communications. ....84
15. Therefore, the Board directs EEAI to provide in its next tariff application a detailed discussion of the determination of the forecast Credit Costs, including an explanation of the rationale for the fixed for floating swap rate, a discussion of the appropriate Credit Cost rate and the financial security that EEAI is required to provide with respect to Fortis on an annual basis. EEAI should also provide all supporting calculations in the determination of the annual credit cost rate and the related required financial security for the test period. ....93

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17. Accordingly, the Board directs EEAI in its next tariff application to file a written policy in respect of its accounting and regulatory treatment accorded to Bad Debts and Bad Debt write-offs. The policy should include some or all of the items outlined by the CG in this section, but is not limited to these recommended items. ....99
19. Accordingly, the Board directs EEAI in its next tariff application, to address this recommended amendment to the T&Cs to allow EEAI to recover administrative costs such as land title searches from Property Owners, providing reasons why EEAI would or would not support this proposed amendment to the T&Cs.....107
20. Instead, the Board directs EEAI, at the time of its next tariff application, to address the maximum time needed to issue a bill and identify this time in Section 8 of its T&Cs.....120

**Summary of EEAI 2007-2009 Differences Between Interim Rate Non-Energy Charge Revenues & Final Rate Non-Energy Charge Revenues to be Trued-Up Over a Five Month Period - August 1, 2008 to December 31, 2008**

	A	B	C	D
	2007			
Customer Type	Interim Rates \$/Site/Mn	Actual Settled Site Counts <sup>(1)</sup> (12 mns)	Revenue Collected at Interim Rates (\$ millions)	
1 Fortis - Residential	\$6.29	269,241	\$20.32	
2 Fortis - Farm	\$6.19	36,349	\$2.70	
3 Fortis - Irrigation	\$7.71	3,533	\$0.33	
4 Fortis - Small Comm	\$7.21	28,773	\$2.49	
5 Fortis - Oil & Gas	\$5.56	726	\$0.05	
6 Fortis - Lighting	\$6.32	3,714	\$0.28	
7 Fortis Total		342,336	\$26.17	
8 EDTI - Residential	\$6.30	240,198	\$18.16	
9 EDTI - Small Comm	\$7.11	21,201	\$1.81	
10 EDTI - Lighting	\$6.11	1,402	\$0.10	
11 EDTI Total		262,802	\$20.07	
12 Total		605,138	\$46.24	

	E	F	G	H	I	J	K	L
	2007							
Final Rates \$/Site/Mn	Actual Site Counts <sup>(1)</sup>	Would Have Collected Revenue at Final Rates (\$ millions)	Excess Revenue Collected (\$ millions)	Forecast Sites over Collection Period <sup>(2)</sup>	\$/Site/Mn to be Trued-Up over Collection Period	Bad Debt Deferral Account (BDDA) Under/(Over) Collected <sup>(4)</sup> (\$ millions)	\$/Site/Mn BDDA to be Trued-Up at 75% over Collection Period <sup>(4)</sup>	
\$5.29	269,241	\$17.11	(\$3.22)	262,361	(\$2.45)	\$0.20	\$0.15	
\$4.93	36,349	\$2.15	(\$0.55)	34,729	(\$3.17)	\$0.06	\$0.32	
\$5.33	3,533	\$0.23	(\$0.10)	3,405	(\$5.93)	\$0.04	\$2.19	
\$5.03	28,773	\$1.74	(\$0.75)	28,355	(\$5.30)	\$0.30	\$2.10	
\$3.73	726	\$0.03	(\$0.02)	564	(\$5.65)	\$0.00	\$1.44	
\$5.46	3,714	\$0.24	(\$0.04)	4,280	(\$1.79)	\$0.01	\$0.54	
	342,336	\$21.50	(\$4.67)	333,694		\$0.60		
\$5.35	240,198	\$15.42	(\$2.74)	232,324	(\$2.36)	(\$0.05)	(\$0.04)	
\$4.86	21,201	\$1.24	(\$0.57)	23,582	(\$4.85)	\$0.19	\$1.59	
\$5.17	1,402	\$0.09	(\$0.02)	1,275	(\$2.48)	(\$0.00)	(\$0.06)	
	262,802	\$16.74	(\$3.33)	257,180		\$0.14		
	605,138	\$38.24	(\$8.00)	590,874		\$0.74		

	A	B	C	D
	2008			
Customer Type	Interim Rates \$/Site/Mn	Actual Settled Site Counts (4 mns Act & 3 mns Feast)	Revenue Collected at Interim Rates (\$ millions)	
13 Fortis - Residential	\$6.29	268,155	\$11.81	
14 Fortis - Farm	\$6.19	35,882	\$1.55	
15 Fortis - Irrigation	\$7.71	3,445	\$0.19	
16 Fortis - Small Comm	\$7.21	28,817	\$1.45	
17 Fortis - Oil & Gas	\$5.56	632	\$0.02	
18 Fortis - Lighting	\$6.32	3,921	\$0.17	
19 Fortis Total		340,850	\$15.20	
20 EDTI - Residential	\$6.30	234,825	\$10.36	
21 EDTI - Small Comm	\$7.11	22,507	\$1.12	
22 EDTI - Lighting	\$6.11	1,330	\$0.06	
23 EDTI Total		258,663	\$11.53	
24 Total		599,513	\$26.73	

	E	F	G	H	I	J	K	L	M	N
	2008									
Final Rates \$/Site/Mn	Actual Site Counts <sup>(3)</sup>	Would Have Collected Revenue at Final Rates (\$ millions)	Excess Revenue Collected (\$ millions)	Forecast Sites over Collection Period	\$/Site/Mn to be Trued-Up over Collection Period	BDDA Under/(Over) Collected <sup>(4)</sup> (\$ millions)	\$/Site/Mn BDDA to be Trued-Up at 75% over Collection Period <sup>(4)</sup>	Total 2007 & 2008 \$/Site/Mn Adjustment for Non-Energy Charge & BDDA	Revised \$/Site/Mn Charge with True-Up over Collection Period	
\$5.41	268,155	\$10.15	(\$1.66)	262,566	(\$1.26)	\$0.12	\$0.09	(\$3.47)	\$1.94	
\$5.03	35,882	\$1.26	(\$0.29)	34,764	(\$1.67)	\$0.03	\$0.18	(\$4.33)	\$0.70	
\$5.46	3,445	\$0.13	(\$0.05)	3,406	(\$3.18)	\$0.04	\$2.42	(\$4.51)	\$0.95	
\$5.15	28,817	\$1.04	(\$0.42)	28,376	(\$2.93)	\$0.18	\$1.27	(\$4.86)	\$0.29	
\$3.85	632	\$0.02	(\$0.01)	565	(\$2.68)	\$0.00	\$0.58	(\$6.31)	(\$2.47)	
\$5.57	3,921	\$0.15	(\$0.02)	4,249	(\$0.96)	\$0.01	\$0.39	(\$1.82)	\$3.75	
	340,850	\$12.76	(\$2.44)	333,926		\$0.39				
\$5.55	234,825	\$9.12	(\$1.24)	232,468	(\$1.07)	(\$0.03)	(\$0.02)	(\$3.49)	\$2.06	
\$5.05	22,507	\$0.80	(\$0.32)	23,604	(\$2.74)	\$0.12	\$1.04	(\$4.97)	\$0.09	
\$5.36	1,330	\$0.05	(\$0.01)	1,277	(\$1.10)	(\$0.00)	(\$0.04)	(\$3.67)	\$1.69	
	258,663	\$9.96	(\$1.57)	257,350		\$0.10				
	599,513	\$22.72	(\$4.01)	591,276		\$0.48				

Assumes that final rates will be in effect August 1, 2008

Final rates were calculated using the site count forecast in the filing

- (1) Actual site counts for 2007 are based on most current settled values for 2007
- (2) 5 month average of sites from the filed site count forecast
- (3) Actual settled site counts for January - April, 2008 and filed forecast sites for May - July 2008
- (4) Includes values for Q1-Q4 2007 and Q1-Q2 2008

Source: Appendix I in the EEAI RRT Non-Energy Charge Refiling Application

**EEAI 2008 RRO Bill Comparison**  
**Bill Impacts for Non-Energy Charge True-Ups Over a Five Month Period (August 1, 2008 to December 31, 2008)**

Column Reference			A	B	C	D	E	F	G	
								Bill Change % (B/A)-1	Bill Change \$ (B-A)	
Line No.	Rate Class Description	Usage kWh	June 2008 RRO Bill	August 2008 RRO Bill	June 2008 Non-Energy Charge	August 2008 Non-Energy Charge	Non-Energy True-up (D-C)	June 2008 to August 2008	June 2008 to August 2008	
1	EDTI - Residential	Low	300	\$ 49.52	\$ 45.20	\$ 6.38	\$ 2.06	\$ (4.32)	-8.7%	(\$4.32)
2		Typical	600	\$ 83.49	\$ 79.17	\$ 6.38	\$ 2.06	\$ (4.32)	-5.2%	(\$4.32)
3		High	1,200	\$ 151.48	\$ 147.16	\$ 6.38	\$ 2.06	\$ (4.32)	-2.9%	(\$4.32)
4	EDTI - Small Commercial	Low	1,183	\$ 162.82	\$ 156.76	\$ 6.15	\$ 0.09	\$ (6.06)	-3.7%	(\$6.06)
5		Typical	2,365	\$ 311.76	\$ 305.70	\$ 6.15	\$ 0.09	\$ (6.06)	-1.9%	(\$6.06)
6		High	10,643	\$ 1,354.91	\$ 1,348.85	\$ 6.15	\$ 0.09	\$ (6.06)	-0.4%	(\$6.06)
7	EDTI - Security Lights	Low	36	\$ 11.03	\$ 6.63	\$ 6.09	\$ 1.69	\$ (4.40)	-39.9%	(\$4.40)
8		Typical	73	\$ 14.58	\$ 10.18	\$ 6.09	\$ 1.69	\$ (4.40)	-30.2%	(\$4.40)
9		High	179	\$ 25.26	\$ 20.86	\$ 6.09	\$ 1.69	\$ (4.40)	-17.4%	(\$4.40)
10	Fortis Alberta - Residential	Low	300	\$ 56.93	\$ 52.63	\$ 6.24	\$ 1.94	\$ (4.30)	-7.6%	(\$4.30)
11		Typical	600	\$ 93.18	\$ 88.88	\$ 6.24	\$ 1.94	\$ (4.30)	-4.6%	(\$4.30)
12		High	1,200	\$ 165.69	\$ 161.39	\$ 6.24	\$ 1.94	\$ (4.30)	-2.6%	(\$4.30)
13	Fortis Alberta - Farm	Low	900	\$ 183.80	\$ 178.37	\$ 6.13	\$ 0.70	\$ (5.43)	-3.0%	(\$5.43)
14		Typical	1,400	\$ 238.72	\$ 233.29	\$ 6.13	\$ 0.70	\$ (5.43)	-2.3%	(\$5.43)
15		High	7,500	\$ 1,016.08	\$ 1,010.65	\$ 6.13	\$ 0.70	\$ (5.43)	-0.5%	(\$5.43)
16	Fortis Alberta - Irrigation	Low	2,877	\$ 423.11	\$ 416.70	\$ 7.36	\$ 0.95	\$ (6.41)	-1.5%	(\$6.41)
17		Typical	5,755	\$ 740.79	\$ 734.38	\$ 7.36	\$ 0.95	\$ (6.41)	-0.9%	(\$6.41)
18		High	8,632	\$ 1,058.38	\$ 1,051.97	\$ 7.36	\$ 0.95	\$ (6.41)	-0.6%	(\$6.41)
19	Fortis Alberta - Small Commercial	Low	1,095	\$ 158.26	\$ 152.96	\$ 5.59	\$ 0.29	\$ (5.30)	-3.3%	(\$5.30)
20		Typical	2,190	\$ 302.87	\$ 297.57	\$ 5.59	\$ 0.29	\$ (5.30)	-1.7%	(\$5.30)
21		High	10,950	\$ 1,459.63	\$ 1,454.33	\$ 5.59	\$ 0.29	\$ (5.30)	-0.4%	(\$5.30)
22	Fortis Alberta - Oil & Gas	Low	2,190	\$ 316.32	\$ 308.65	\$ 5.20	\$ (2.47)	\$ (7.67)	-2.4%	(\$7.67)
23		Typical	4,380	\$ 606.74	\$ 599.07	\$ 5.20	\$ (2.47)	\$ (7.67)	-1.3%	(\$7.67)
24		High	21,900	\$ 2,930.30	\$ 2,922.63	\$ 5.20	\$ (2.47)	\$ (7.67)	-0.3%	(\$7.67)
25	Fortis Alberta - Lighting	Rate 31	5,427	\$ 1,696.01	\$ 1,693.75	\$ 6.01	\$ 3.75	\$ (2.26)	-0.1%	(\$2.26)
26		Rate 33	5,427	\$ 765.23	\$ 762.97	\$ 6.01	\$ 3.75	\$ (2.26)	-0.3%	(\$2.26)
27		Rate 38	5,427	\$ 1,213.03	\$ 1,210.77	\$ 6.01	\$ 3.75	\$ (2.26)	-0.2%	(\$2.26)

Energy Price Assumptions:

- 1 Published June energy rates used in all calculations.
- 2 Non-energy rates used in June and August calculations include adjustments for BDDA.
- 3 EDTI transmission and distribution rates remain the same, effective February 1, 2008.
- 4 Fortis Alberta transmission and distribution rates remain the same, effective January 1, 2008.
- 5 Calculations do not include 5% GST.

Source: Bill Comparison from EEA RRT Non-Energy Charge Refiling Application

**APPENDIX 6**

**EPCOR ENERGY ALBERTA INC.**

**PRICE SCHEDULE  
APPLICABLE TO  
REGULATED RATE TARIFF CUSTOMERS  
WITHIN THE CITY OF EDMONTON**

**EFFECTIVE AUGUST 1, 2008**

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Residential Service****Applicable:**

Available to regulated rate customers within the EPCOR Distribution & Transmission Inc. (EDTI) service area. Residential service is only available to single-phase service at secondary voltage through a single meter and for normal use by a single and separate household. This rate applies to all residential rate customers who obtain service pursuant to the EDTI Distribution Tariff. Not applicable to any commercial or industrial use.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the EDTI Tariff
Distribution Access Service Charge <sup>3</sup>	As per the EDTI Tariff
EDTI Riders <sup>3</sup>	As per the EDTI Tariff
Local Access Fee <sup>3</sup>	As per the EDTI Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by EDTI, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Commercial Service****Applicable:**

Available to each separate electrical service, within the EDTI service area, which is not eligible for residential or lighting service and for which total annual consumption of electric energy is forecast by EDTI to be less than 250 megawatt hours of electric energy at the site with a single or three-phase electric service at secondary voltage. This rate applies to all commercial customers which obtain service pursuant to the EDTI Distribution Tariff.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the EDTI Tariff
Distribution Access Service Charge <sup>3</sup>	As per the EDTI Tariff
EDTI Riders <sup>3</sup>	As per the EDTI Tariff
Local Access Fee <sup>3</sup>	As per the EDTI Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to

<http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by EDTI, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Lighting Service****Applicable:**

Available to existing lighting service customers within the EDTI service area. This price is not available to new services. This rate applies to all lighting service customers who obtain service pursuant to the EDTI Distribution Tariff and whose annual consumption at the site is forecast by EDTI to be less than 250 megawatts of electric energy.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the EDTI Tariff
Distribution Access Service Charge <sup>1</sup>	As per the EDTI Tariff
EDTI Riders <sup>1</sup>	As per the EDTI Tariff
Local Access Fee <sup>1</sup>	As per the EDTI Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by EDTI, for the site, for the applicable billing period.

Effective Date: August 1, 2008

## Regulated Rate Tariff – Price Schedule

### Miscellaneous Fees

#### 1. **Expedited Connection Charge**

An Expedited Connection Charge is applied as follows:

- a) Three business days notice is required prior to the service being transferred to the responsibility of the new Customer. Expedited service is available at an additional charge of \$10.00.
- b) Where a service exists but has been physically turned off at the time of application. Three business days notice is required. Expedited service is available at an additional fee of \$24.00

#### 2. **Reconnection of Service**

The fee for reconnection of service after cut-off for non-payment of account shall be \$41.00.

#### 3. **Dishonoured Payment Charge**

Where a customer's payment is not honoured by the customer's bank or financial institution, a charge of \$25 will apply for each such payment received by EEAI.

#### 4. **Collection Fee**

Where EEAI delivers a "Turn-Off Notice" to a customer due to non-payment of amounts owing, a collection fee of \$15.00 will be applied to the customer's account.

#### 5. **Cost Recovery Charges**

For miscellaneous service request including providing historical data and other record searches, the charge will be based on the estimated cost of providing the service.

**APPENDIX 7**

**EPCOR ENERGY ALBERTA INC.**

**PRICE SCHEDULE  
APPLICABLE TO  
REGULATED RATE TARIFF CUSTOMERS  
OUTSIDE THE CITY OF EDMONTON**

**EFFECTIVE AUGUST 1, 2008**

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Residential Service****Applicable:**

Available to residential regulated rate customers within the FortisAlberta Inc. (Fortis) service area. Residential service is only available to individually metered single family dwelling units that are used for domestic purposes only. This rate applies to all residential rate customers who obtain service pursuant to the Fortis Distribution Tariff. Not applicable to any commercial or industrial use.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>1</sup>	As per the Fortis Tariff
Fortis Riders <sup>1</sup>	As per the Fortis Tariff
Local Access Fee <sup>1</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to

<http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to

<http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Commercial Service****Applicable:**

Available to Customers, within the Fortis service area that are not eligible for any of the other Regulated Rate Tariff Rate Classifications and are served directly by the Fortis Distribution System that are eligible for the Regulated Rate Tariff. This rate applies to all commercial customers who obtain service pursuant to the Fortis Distribution Tariff and whose annual consumption at the site is forecast by Fortis to be less than 250 megawatts of electric energy.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>1</sup>	As per the Fortis Tariff
Fortis Riders <sup>1</sup>	As per the Fortis Tariff
Local Access Fee <sup>1</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Lighting Service****Applicable:**

Available to lighting services that are within the Fortis service area. This rate applies to all street and yard lighting service customers which obtain service pursuant to the Fortis Distribution Tariff and whose annual consumption at the site is forecast by Fortis to be less than 250 megawatts of electric energy.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Fortis Riders <sup>3</sup>	As per the Fortis Tariff
Local Access Fee <sup>3</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Farm Service****Applicable:**

Available to Customers by in rural areas within the Fortis service area who are involved in a farming operation. This rate applies to all farm rate classification customers who obtain service pursuant to the Fortis Distribution Tariff.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>6</sup>	As per the Fortis Tariff
Fortis Riders <sup>6</sup>	As per the Fortis Tariff
Local Access Fee <sup>6</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Irrigation Service****Applicable:**

Available to customers within the Fortis service area who have individually metered motors driving irrigation pumps that operate only in the irrigation season. This rate applies to all irrigation rate classification customers who obtain service pursuant to the Fortis Distribution Tariff.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>9</sup>	As per the Fortis Tariff
Fortis Riders <sup>9</sup>	As per the Fortis Tariff
Local Access Fee <sup>9</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to

<http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to

<http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

**Regulated Rate Tariff – Price Schedule****Oil and Gas Service****Applicable:**

Available to oil and natural gas field metered or unmetered services, within the Fortis service area, that normally require less than 75 kW. These services include pumping and related operations such as rectifiers, cathodic protection, radio transmitters, and water pumping services. This rate applies to all oil and gas service customers who obtain service pursuant to the Fortis Distribution Tariff and whose annual consumption at the site is forecast by Fortis to be less than 250 megawatts of electric energy.

**Price:**

Energy Charge	\$• (cents/kWh) <sup>1</sup>
Administration Charge	\$• (\$/Month/Site) <sup>2</sup>
System Access Service Charge <sup>3</sup>	As per the Fortis Tariff
Distribution Access Service Charge <sup>12</sup>	As per the Fortis Tariff
Fortis Riders <sup>12</sup>	As per the Fortis Tariff
Local Access Fee <sup>12</sup>	As per the Fortis Tariff

**Regulations:**

Service under all EEAI's Rates, Charges and Riders is subject to the Regulated Rate Tariff Terms and Conditions as approved by the Alberta Energy and Utilities Board.

<sup>1</sup> Rates subject to change monthly. For current rate information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/default>

<sup>2</sup> Administration charges subject to change quarterly. For current administration charge information go to <http://www.epcor.ca/Customers/HomeSmallBus/Power/Retail+Tariffs/Regulated+Rates/administrationcharge/default.htm>

<sup>3</sup> Shall be the amounts, either actual or estimated, that EPCOR Energy Alberta Inc. (EEAI) is billed by Fortis, for the site, for the applicable billing period.

Effective Date: August 1, 2008

## **Regulated Rate Tariff – Price Schedule**

### **Miscellaneous Fees**

#### **1. Expedited Connection Charge**

An Expedited Connection Charge is applied as follows:

- a) Three business days notice is required prior to the service being transferred to the responsibility of the new Customer. Expedited service is available at an additional charge of \$10.00.
- b) Where a service exists but has been physically turned off at the time of application. Three business days notice is required. Expedited service is available at an additional fee of \$24.00

#### **2. Reconnection of Service**

The fee for reconnection of service after cut-off for non-payment of account shall be \$41.00.

#### **3. Dishonoured Payment Charge**

Where a customer's payment is not honoured by the customer's bank or financial institution, a charge of \$25.00 will apply for each such payment received by EEAI.

#### **4. Collection Fee**

Where EEAI delivers a "Turn-Off Notice" to a customer due to non-payment of amounts owing, a collection fee of \$15.00 will be applied to the customer's account.

#### **5. Cost Recovery Charges**

For miscellaneous service request including providing historical data and other record searches, the charge will be based on the estimated cost of providing the service.

**APPENDIX 8**

**EPCOR ENERGY ALBERTA INC.**

**REGULATED RATE TARIFF – TERMS AND CONDITIONS (2007)**

**EFFECTIVE AUGUST 1, 2008**

Effective Date: August 1, 2008

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## **ARTICLE 1 – PREAMBLE**

### **1.1 Provision of Regulated Rate Service**

EDTI and Fortis have made arrangements with EEAI to perform EDTI and Fortis' obligations to provide Regulated Rate Service to Eligible Customers in their service area. EEAI provides Regulated Rate Service under its Regulated Rate Tariff that has been approved by the Board and includes these RRT Terms and the Price Schedules. These Price Schedules set out the rates, charges and fees approved by the Board for Regulated Rate Service provided by EEAI.

These RRT Terms are the terms and conditions upon which EEAI offers and provides Regulated Rate Service to Eligible Customers.

The Regulated Rate Tariff is available for public inspection at EEAI's website [www.epcor.ca](http://www.epcor.ca) and during normal business hours at EEAI's business offices.

## **ARTICLE 2 – DEFINITIONS AND INTERPRETATION**

### **2.1 Definitions**

The following words and phrases, whenever used in the Regulated Rate Tariff, shall have the following meanings:

**“Alberta Interconnected Electric System” or the “AIES”** means the “interconnected electric system” as defined in the EUA.

**“Board”** means the Alberta Energy and Utilities Board and any successor organization with jurisdiction under the RRO Regulation.

**“Business Day”** means a day, which is not a Saturday, Sunday or statutory holiday in the Province of Alberta, and “day” means any calendar day.

**“Company”** means EEAI.

**“Customer”** means a “regulated rate customer” as defined in the RRO Regulation who accepts, uses or receives Service from EEAI at a Site located in the service area of EDTI or Fortis, including any Tenant, Landlord or Property Owner at the Site.

**“Customer of Record”** means the Customer for whom EEAI has an account pursuant to Article 4.2 or Article 8.11.

**“Distribution Access Service”** means “distribution access service” as defined in the EUA provided to Customers by means of EDTI's or Fortis' Distribution System.

**“Distribution System”** means an “electric distribution system” as defined in the EUA.

**“Distribution Tariff”** means, at any point in time, EDTI or Fortis' tariff for the provision of Distribution Access Service approved by the Board and in effect at such time.

**“EDTI”** means EPCOR Distribution & Transmission Inc.

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“**EEAI**” means EPCOR Energy Alberta Inc.

“**Electricity Services**” means “electricity services” as defined in the EUA.

“**Energy**” means “electric energy” as defined in the EUA, expressed in kilowatt hours.

“**EUA**” means the *Electric Utilities Act*, S.A. 2003, c. E-5.1, including the regulations enacted thereunder, as re-enacted, amended or replaced from time to time.

“**EUB**” means the Alberta Energy and Utilities Board.

“**Exchange**” means “exchange” as defined in the EUA.

“**Facilities**” means physical plant (including, without limitation, transmission and distribution lines, transformers, meters, equipment and machinery).

“**Force Majeure**” means circumstances not reasonably within the control of EEAI including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, interruption of supply, goods or services including electricity or the electricity Distribution Access Service, the intervention of federal, provincial, or local government or from any of their agencies or boards, excluding decisions and/or orders made by the Board in the normal course of exercising its authority to establish the revenue requirement of the parties to this agreement, the order of direction of any court, and any other cause, whether of the kind herein enumerated or otherwise.

“**Fortis**” means FortisAlberta Inc.

“**Independent System Operator**” has the meaning provided in the EUA.

“**Landlord**” means (i) a Person who is the Property Owner of a property that is leased or rented or otherwise in the possession of another Person, called the Tenant; or (ii) a Person authorized to manage such a property on behalf of the Property Owner.

“**Load**” means Energy consumed by Customers together with allocated losses and other unaccounted for Energy.

“**Non-Regulated Rate Services**” means the various services, other than Regulated Rate Service, provided to a Customer by EEAI and other Persons from time to time.

“**Owner**” means owner of a Distribution System.

“**Person**” means a person, firm, partnership, corporation, organization or other association, and includes an individual member thereof.

“**Point of Service**” means the point at which EDTI or Fortis’ service conductors are connected to the wires or apparatus of a Customer.

“**Price Schedule**” means EEAI’s Regulated Rate Tariff Price Schedules, approved by the Board.

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**“Property Owner”** means:

- (a) the registered owner of a parcel of land in the register maintained by the Registrar of Titles under the *Land Titles Act*; or
- (b) a person who has purchased the parcel from the person mentioned in subclause (a) pursuant to an agreement for purchase and sale.

**“RRO”** means Regulated Rate Option.

**“RRO Regulation”** means the *Regulated Rate Option Regulation*, AR 262/2005 as amended from time to time.

**“Regulated Rate Service”** means:

- (a) arranging for the Exchange or purchase of Energy on behalf of a Customer in accordance with the RRO Regulation;
- (b) arranging for Distribution Access Service on behalf of a Customer in accordance with EEAI’s Regulated Rate Tariff.

**“Regulated Rate Service Agreement”** means an agreement respecting Regulated Rate Service between EEAI and a Customer in a form acceptable to EEAI.

**“Regulated Rate Tariff”** means EEAI’s Regulated Rate Tariff approved by the Board for Regulated Rate Tariff Customers, including these RRT Terms and the Price Schedules.

**“Retailer”** means a “retailer” as defined in the EUA.

**“RRT Arrangement Agreement”** means the Agreement between EDTI and EEAI, and Fortis and EEAI for EEAI to provide a RRT service to Eligible Customers in the EDTI and Fortis service area.

**“RRT Terms”** means these terms and conditions, as they may be amended from time to time.

**“Service”** means Regulated Rate Service.

**“Service Connection”** means all Facilities required for providing services up to the Point of Service.

**“Site”** means, in relation to a Service Connection for a Customer, the Point of Service for the Customer.

**“Tenant”** means any Person who has the use of or occupies a premises or property owned by another Person.

**“Transmission Tariff”** means, at any point in time, EDTI or Fortis’ tariff for the provision of System Access Service approved by the Board and in effect at such time.

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## 2.2 Conflicts

If there is any conflict between a provision expressly set out by an order of the Board and these RRT Terms, the Board order shall govern.

If there is any conflict between these Terms and Conditions and a provision of the EUA, the provision of the EUA shall govern.

If there is any conflict between these RRT Terms and the corresponding Price Schedules, the Price Schedules shall govern.

## 2.3 Headings

The division of these RRT Terms into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these RRT Terms.

## 2.4 Extended Meanings

In these RRT Terms, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter gender and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

## 2.5 Charges and Fees

All rates, charges and fees referred to in these RRT Terms are as set out in the Price Schedule.

## **ARTICLE 3 – GENERAL PROVISIONS**

### 3.1 Effective Date

These RRT Terms have been approved by the Board in Decision \_\_\_\_-\_\_, and are effective as of \_\_\_\_\_, \_\_, 20\_\_.

### 3.2 Customers Bound by Regulated Rate Tariff

The Regulated Rate Tariff and Price Schedules approved by the Board apply to each Customer. As a condition of accepting, using or receiving Regulated Rate Service, the Customer agrees to be bound by these RRT Terms and agrees to pay the rates, charges or fees applicable for such service, as prescribed in the Price Schedule whether the Customer signs a Regulated Rate Service Agreement or not. Each Customer is also bound by EDTI and/or Fortis' Distribution Tariff.

### 3.3 Modification of Regulated Rate Tariff

No agent, employee or other representative of EEAI is authorized to modify any provision or price contained in the Regulated Rate Tariff or to bind EEAI to perform in any manner inconsistent with the Regulated Rate Tariff. Any request for the waiver or alteration of any part of the Regulated Rate Tariff must be filed with and approved by the Board. EEAI may make minor or routine changes by filing updated RRT Terms with the Board.

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### **3.4 Regulatory Approval and Amendment**

Other than minor or routine changes in accordance with Article 3.3, EEAI may only amend the RRT Terms with approval of the Board. Whenever the Board approves an amendment to the RRT Terms or an amendment otherwise takes effect, the applicable section(s) of the RRT Terms will be revised to incorporate the amendments and the effective date of the amendments will be indicated in the revised section(s). The Board will acknowledge the notice of the amendment to the Terms and Conditions within 60 days after such notice is filed, or the Board will direct a further process to deal with the requested changes as the Board deems to be appropriate.

### **3.5 Applicable Taxes**

The Customer shall pay all taxes, fees or assessments that EEAI is required to collect from time to time as required pursuant to any statute, regulation, or other governmental directive or order or decision of the Board that applies to Regulated Rate Service.

### **3.6 Landlord Information**

EEAI may require the Customer to indicate if the Customer is the Property Owner, Landlord or Tenant of the Site.

EEAI will provide Landlords with the opportunity to register all Sites that they own or are responsible for such that in the case of a vacancy, the Landlord will automatically become the Customer of Record. This registration will not bind the Landlord to be responsible for past charges of a Tenant, incurred before the date of vacancy, unless specifically requested by the Landlord.

## **ARTICLE 4 – REGULATED RATE SERVICE**

### **4.1 Availability**

Service is available to Eligible Customers strictly in accordance with the Regulated Rate Tariff.

### **4.2 Requirements for Obtaining Regulated Rate Service**

A residential Customer, who wishes to receive Service from EEAI, may apply for Service at a Site by contacting EEAI by telephone or by any other means acceptable to EEAI. EEAI may require any Customer to provide a photo proof of identification. A small commercial Customer, who wishes to receive Service from EEAI, must complete an application in writing for Service at a Site notwithstanding that EEAI may, at its sole discretion, put the Customer into account prior to the completion of the application for service. EEAI may require proof from the Customer of the date the Customer took possession of the Site or took over responsibility for payment of the Service at the Site from the previous Customer of Record.

EEAI requires at least three Business Days prior notice to ensure a timely connection of Service at a Site. Expedited connection of Service is available on request and is subject to the payment by the Customer of any additional charges that EEAI is obligated to pay on behalf of the Customer to EDTI or Fortis in relation to the expedited connection. EEAI may declare at any time, that 30

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days notice is required to obtain Service, provided that the customer is able to obtain electricity services during such 30 day notice period

If EEAI accepts a Customer's application, EEAI will open an account for the Customer for Service at the applied for Site and the Customer shall be the Customer of Record for the Site. The Customer will be responsible to pay to EEAI all amounts charged to the account from the time the account is opened until it is closed as provided in Article 6.

#### **4.3 Refusal of Regulated Rate Service**

EEAI reserves the right to refuse to provide Service when:

- (a) a previous Customer at the Site had a history of non-payment and EEAI believes, on reasonable grounds, that the defaulting Customer would continue to occupy the premises located at the Site;
- (b) the Customer has not complied with the RRT Terms or the applicable provisions of the Regulated Rate Tariff;
- (c) the Customer has not provided the deposit required by EEAI;
- (d) EEAI is not satisfied with the Customer's credit rating or credit history, unless the Customer has provided a deposit satisfactory to EEAI in accordance with Article 5.1; or
- (e) the Customer has an outstanding balance with EEAI for Service.

#### **4.4 Credit Information**

EEAI is committed to protecting the personal information of its Customers. By establishing or maintaining an account a Customer's consent is implied for the collection, use and disclosure of personal information only for the purpose of ongoing services and support, unless a Customer indicates otherwise in writing.

Complete details of EEAI's privacy policy and practices are available online at [www.epcor.ca](http://www.epcor.ca), or in printed form by request of the Customer to EEAI.

EEAI may at any time request from a prospective Customer, such information that EEAI considers reasonably necessary to determine the prospective Customer's credit history and credit risk. The requested information may include:

- (a) full name, address, telephone number (home, work, and cellular), birthdates to allow EEAI to determine a customer's credit rating, and/or
- (b) demonstration of the Customer's credit history with another regulated utility, and/or
- (c) other personal information to identify the prospective customer.

Customers returning from a competitive retail service or existing Customers may be required to provide the same information as new Customers.

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#### **4.5 Customer Change of Name or Information**

The Customer must notify EEAI as soon as reasonably possible of a change of name, mailing address or telephone number. Such notification shall be provided in writing if requested by EEAI.

#### **4.6 Failure to Provide Information Services**

If, after notice of a deficiency, and reasonable opportunity to remedy any deficiencies, a prospective Customer or existing Customer fails to provide information requested in accordance with Article 4.4 and does not provide a security deposit in accordance with Article 5, EEAI may either:

- (a) refuse to provide Service to the prospective Customer, or
- (b) discontinue or request a disconnection of Service to the existing Customer.

### **ARTICLE 5 – FINANCIAL SECURITY REQUIREMENTS**

#### **5.1 Requirement for Deposit**

EEAI, may require a deposit or an increase in an existing deposit by a Customer in circumstances it considers appropriate, including, without limitation, the following circumstances:

- (a) if the prospective Customer making the application for service cannot demonstrate a satisfactory credit rating to EEAI as outlined in Article 4.4.
- (b) the existing customer has paid two consecutive bills late, in accordance with Article 8.5, in any twelve month period or three non-consecutive bills late in any twelve month period,
- (c) the Customer has issued more than one payment that has been returned for non-sufficient funds in any six month period;
- (d) there has been more than a 50% increase in the Customer's average monthly consumption of Energy over the prior six month period;
- (e) the Customer's service was disconnected for non-payment by EEAI;
- (f) the Customer makes a request for re-connection of service after having been disconnected for non-payment by EEAI; or
- (g) the Customer making the application for service has a credit rating which is not satisfactory to EEAI or the Customer has refused to provide credit information to EEAI.

#### **5.2 Waiver of Deposit Requirement**

EEAI may waive the requirement for a deposit by a Customer in the following circumstances:

- (a) where the Customer has a previous good payment history with EEAI;
- (b) where a result satisfactory to EEAI is obtained from an external credit check;

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- (c) where the Customer can demonstrate, to the satisfaction of EEAI, a previous good payment history with another utility;
- (d) where the Customer provides a co-signor who has a credit rating acceptable to EEAI who agrees to be personally and severally responsible for payment of any and all amounts payable by the Customer under these RRT Terms; or
- (e) where the Customer provides to EEAI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EEAI.

### **5.3 Maximum Deposit**

The maximum deposit EEAI will require from a Customer under this Regulated Rate Tariff is equal to 30% of the annual total charge payable by the Customer, as reasonably estimated by EEAI. If the required deposit is large, at the discretion of EEAI, EEAI may allow an initial payment for a portion of the deposit and payment of the remainder of the deposit over a reasonable time period.

### **5.4 Use of Deposit for Non-Payment**

A deposit provided by a Customer may be applied against any amounts owed for Service.

### **5.5 Return of Deposit**

A deposit made by a Customer must be returned to the Customer after a satisfactory payment history over a period of 12 consecutive months or when the Customer's Service is terminated and the Customer's account is closed. Where a Customer's Service is terminated and the Customer's account is closed for non-payment, or an outstanding amount remains after the account is closed at the Customer's request, prior to any refund, the deposit will be applied to the balance owing by the Customer to EEAI.

### **5.6 Interest Payable on Deposits**

Interest will be paid on a deposit at the end of each calendar year or when the Customer's account is closed. Interest will be calculated using simple interest on the daily balance of any cash deposit held by EEAI in respect of the Customer. The interest rate applicable for each year will be the interest rate specified under the *Residential Tenancies Act*.

## **ARTICLE 6 – CLOSING AN ACCOUNT**

### **6.1 Notice to Close an Account**

Subject to Article 6.2, a Customer may close an account for Service at a Site by giving EEAI notice to close the account. In order to close the account on a specified date, EEAI requires at least three Business Days prior notice. EEAI may request proof that the Customer will no longer be responsible for the Site after that date. EEAI will determine whether a final meter reading is required and the Customer will pay EEAI all charges for a final meter reading incurred by EEAI in accordance with EDTI or Fortis' Distribution Tariff.

### **6.2 Notice to Transfer to an Unregulated Retailer**

A Customer transferring to an unregulated retailer must provide EEAI with 30 days notice prior

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to the intended transfer date, such notice to be in effect for 60 days.

### **6.3 Relocation of Customer**

If the Customer wishes to continue to receive Service but to relocate from their current Site to a new Site, for example, as in the case of a move of residence, the Customer must notify EEAI at least three Business Days prior to the Customer's requested relocation date. EEAI may request proof that the Customer will no longer be responsible for the original Site after the relocation date. EEAI will determine whether a final meter reading is required at the previous Site and the Customer will pay EEAI all charges for a final meter reading incurred by EEAI in accordance with EDTI or Fortis' Distribution Tariff.

### **6.4 No Assignment**

Service under the Regulated Rate Tariff is not assignable. The benefits and obligations of any service contract shall begin when EEAI commences to supply Service, and shall inure to the benefit of and be binding upon their respective heirs, personal representatives, and successors.

This limit on assignment is not intended to infringe on or limit the right of the Customer to sell, remove or otherwise lawfully dispose of Customer's property, subject to the termination clauses of these RRT Terms. Upon termination, any outstanding balances will remain the obligation of the Customer.

## **ARTICLE 7 – MEASUREMENT OF ENERGY CONSUMPTION**

### **7.1 Measurement provided by EDTI and Fortis**

EDTI and Fortis provide to EEAI under their Distribution Tariffs meter readings and estimates of consumption of Energy by Customers. Billings to Customers under these RRT Terms shall be based on those meter readings and estimates. EEAI assumes no liability to the Customer for meter readings and estimates provided by EDTI and Fortis.

### **7.2 Meter Testing**

If a Customer believes the meter to be in error, the Customer will arrange to have the meter tested by EDTI or Fortis. The Customer will pay EEAI all charges for meter testing incurred by EEAI in accordance with EDTI or Fortis' Terms and Conditions and associated Price Schedules.

## **ARTICLE 8 - BILLINGS AND PAYMENT**

### **8.1 Billing Practices**

EEAI does not require payment for Service in advance, except where a deposit is required in accordance with these RRT Terms. EEAI will bill in accordance Board directives on billing processes and quality.

Charges for Regulated Rate Services are due on the statement date noted on the Customer's bill.

Once per month, or within a time period reasonably close to a month, EEAI will send a Customer

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a bill for Service provided to the Customer during the previous month, or an amount of time reasonably close to a month, calculated in accordance with the Price Schedules. The bill may be combined with a bill for other services that are not subject to the RRO Regulation provided to the Customer by EEAI. The Customer's obligation to pay the amount set out in the bill shall continue despite any failure of EEAI to provide a bill in a timely fashion.

## **8.2 Responsibility for Payment after Account Closure**

The Customer is responsible for payment for all Services provided to the Customer up to the time EEAI has closed the account and until payment for final charges for consumption and Distribution and Transmission Tariffs has been made. If a Customer's Service is discontinued by EEAI or disconnected under the EDTI or Fortis' Terms and Conditions, the Customer is responsible for payment for all Regulated Rate Service provided to the Customer up to the time of such discontinuation or disconnection, for any Distribution and Transmission Tariffs incurred by EEAI in accordance with EDTI or Fortis' Terms and Conditions up to and after the disconnection or discontinuance date, for any applicable non-energy charges and until payment for final charges for consumption, Distribution and Transmission Tariffs and any applicable non-energy charges has been made.

## **8.3 Responsibility to Pay and Remedies for Non-Payment**

Subject to Article 8.1 and 8.2, each Customer shall pay the full amount of any bill issued to by EEAI by the due date specified on the bill, without prejudice to the Customer's right to contest any rate or fee charged. A failure to pay any amount billed by EEAI with the exception defined in Article 10.1 shall be a default of payment under these RRT Terms and the Customer shall be subject to EEAI's collection policies as outlined in this Article 8.3 and to the discontinuance or termination of Service and disconnection of the Customer's Service Connection(s) as provided under this Article 8.3.

EEAI will use the following process prior to disconnection of a Customer's Service Connection(s) for failure by the Customer to pay an amount billed by EEAI:

- (a) If payment of a bill is not received 30 days subsequent to the statement date specified on a bill, EEAI will call the Customer and/or send the Customer a written notice indicating that payment has not been received and that to ensure continuation of service, payment of arrears must be received within seven Business Days of the date of the call or written notice.
- (b) If the Customer does not contact EEAI within 7 Business Days of the date of the call or written notice to make satisfactory arrangements to pay the outstanding bill, EEAI will call or send a written notice to the Customer. The Customer will be advised that satisfactory payment arrangements must be made within four Business Days or Service will be disconnected.
- (c) If the Customer does not pay the outstanding bill within four Business Days after the warning is provided, EEAI may without further notice to the Customer instruct EDTI or Fortis to disconnect the Customer's Service Connection.

Prudent and reasonable collection costs incurred by EEAI may be added to the Customer's bill. If a Customer's Service is discontinued by EEAI or disconnected under the EDTI's or Fortis' Terms and Conditions, any unpaid charges in the account may be transferred to any other Service

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account held by the same Person as the Customer and any deposit held in respect of such account may be applied against the unpaid charges.

#### **8.4 Adjustments to Bills**

Bills rendered by EEAI shall contain the information prescribed in applicable legislation. Bills rendered by EEAI under these RRT Terms may be adjusted from time to time to, among other things, reflect adjustments by EDTI and Fortis under their Distribution Tariff and EEAI will issue charges or credits as appropriate to affected Customers.

#### **8.5 Late Payment Charge**

If a Customer does not pay a bill in full by 20 days after the statement date specified on the bill, subject to disputed charges as outlined in Article 10, the payment will be considered late and a late payment charge may be applied. The Customer will be liable to pay to EEAI, in addition to the amount of the bill, a late payment charge equal to 2.5% of the unpaid amount of the bill that applies to the current billing period. The outstanding unpaid amount, including the late payment charge, shall be added to the charges that become due and payable in the next bill. Should the bill remain outstanding after the due date, EEAI may commence collection action in accordance with Article 8.3. In addition, EEAI may require a deposit or an increase in the amount of an existing deposit. If considered to be interest payable for credit advanced, then the late payment charge is equivalent to a maximum yearly rate of 45.6%.

#### **8.6 Restoration of Regulated Rate Service**

In order for Service to be restored after it has been discontinued or disconnected for non-payment, the Customer must pay all outstanding charges full, provide a deposit to EEAI and may be required to pay a reconnection fee prescribed in the Price Schedule. At EEAI's discretion, EEAI may allow the Customer to make payment arrangements to settle arrears amounts over a reasonable amount of time.

#### **8.7 Partial Payments**

Partial payments on an account will be applied to the unpaid amounts (including amounts for any other services not included in Services) outstanding on the oldest bills. If a payment does not cover the total unpaid amount outstanding on a bill and the bill includes charges for both Service and any other service then the payment will be applied to the unpaid charges for Service and any other service pro rata, on the basis of the respective amounts for those charges.

#### **8.8 Over Payments**

If the Customer pays EEAI an amount in excess of what is owed to EEAI, the excess amount will be carried as a credit balance on the Customer's account and applied to bills for future Services unless the Customer requests a refund. Interest will not be paid on a credit balance.

#### **8.9 Dishonoured Payments**

In addition to any late payment charge under Article 8.5 of these RRT Terms, a Customer whose payment is dishonoured shall pay the charge as specified in the Price Schedule.

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**8.10 Novelty Payments**

EEAI may refuse to accept payment when the Customer attempts to make payment by a cheque drawn on a form other than a bank cheque. EEAI follows the coin acceptance limitations specified in the *Currency Act*, S.C. 1985, c. C-52 as follows:

Payment in coin may be made to the maximum amount of:

- Forty dollars if the denomination is two dollar or greater but does not exceed ten dollars,
- Twenty-five dollars if the denomination is one dollar,
- Ten dollars if the denomination is ten cents or greater but less than one dollar,
- Five dollars if the denomination is five cents, and
- Twenty-five cents if the denomination is one cent.

**8.11 Other Occupants' Liability for Payment**

Where the Customer of Record for a Site has vacated the premises where the Site is located or defaulted on payment of a bill for Service, other occupant(s) of the premises who continue to receive Service shall be deemed to be the Customer(s) of Record and shall be liable for payment for Services provided in accordance with the Regulated Rate Tariff.

**8.12 Owner's Liability for Payment**

In circumstances where:

- (a) there is no Customer of Record registered on the accounting records of EEAI;  
and
- (b) there are no other occupants of the Site who continue to receive Service,

the Property Owner shall be deemed to be the Customer of Record and shall be liable for payment for Services provided in accordance with the Regulated Rate Tariff until the date a new Customer of Record is determined by EEAI.

**8.13 Disconnection for Safety or Business Reasons**

In the event that:

- (a) EEAI is of the reasonable opinion that continued provision of Service may cause damage to Facilities, the Distribution System or the AIES or interfere with or otherwise adversely affect any electric services provided by EEAI, EDTI Fortis;
- (b) EEAI has not been provided with any or insufficient information to bill a Customer, or the premises or property served appear to EEAI, acting reasonably, to be vacant or not occupied by a Customer;
- (c) A Customer violates a provision of these RRT Terms;
- (d) The Customer has become a credit risk, in EEAI's reasonable opinion;

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- (e) The Customer has tampered with a meter or Facilities that may affect metering to a Site; or
- (f) The Customer has provided EEAI with inaccurate information or is using Service for purposes not authorized by the EUA or these RRT Terms;

subject to limitations on disconnections in applicable legislation, EEAI may request EDTI or Fortis to disconnect electric service to the Site.

#### **8.14 Lost Bills**

If a Customer's bill is lost or not received, the Customer should contact EEAI to determine the amount owed. Failure to receive a bill does not release a Customer from the obligation to pay the amount owing to EEAI. EEAI may in its discretion apply the late payment charge according to Article 8.5, in circumstances where a Customer requires a duplicate copy of the bill.

#### **8.15 Responsibility for Collection Costs**

Recovery of any balance on a Customer's bill that has not been paid by the date that payment is due in accordance with Article 8.1, may be referred to a collection agency or other legal action taken to collect the outstanding amount.

Prudent and reasonable collection costs incurred by EEAI, including external legal and collection fees, will be added to the Customer's bill.

#### **8.16 Dishonoured Payments**

A Customer will be charged a fee in accordance with the Price Schedule for each payment dishonoured for non-sufficient funds. A dishonoured payment may trigger immediate collection action which could lead to disconnection of the Customer's Service Connection(s) as provided under Article 8.3. In addition, a Customer may be assessed a security deposit under Article 5.1. A dishonoured payment may include, but is not limited to cheques, credit cards or automatic withdrawal payments.

### **ARTICLE 9 - RESPONSIBILITY AND LIABILITY**

#### **9.1 Requirements in the EUA**

In addition to any rights and obligations contained in these RRT Terms, EEAI and the Customer are bound by the EUA and other applicable legislation.

EEAI shall maintain security standards, including control of access to data and other information, consistent with applicable legislation and business practice in the industry.

#### **9.2 Interruption of Regulated Rate Service**

EEAI does not own or operate the Distribution System or any other part of the Interconnected Electric System and does not guarantee continuous Service.

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### 9.3 Force Majeure

EEAI is relieved of its obligations under its Regulated Rate Tariff and these RRT Terms, and shall not be liable for any failure to perform any service under the Regulated Rate Tariff or any term of these RRT Terms to the extent that and when such failure is due to, or is a consequence, any event of Force Majeure.

Should a residence or business being served be suspended or discontinued, due to fire or other causes beyond the control of the Customer, any services, and related fees and charges except pass through charges from Owners, upon request by the Customer, shall become inoperative until business is resumed, except for unbilled amounts due EEAI for Service already provided, at which time any Service and related fees shall again become operative. Upon resumption of Service, the Customer's credit standing with EEAI will be no worse than it was prior to the suspension of Service.

### 9.4 Limitation on EEAI Liability to Customer

Except for direct physical loss, injury or damage to a Customer or the Customer's property resulting from the negligence or wilful misconduct of, or breach of these Terms and Conditions by EEAI or its employees or agents or contractors acting within the scope of their employment, EEAI shall not be liable to a Customer, whether in tort, contract, strict liability or otherwise, for any loss, damage, expense, charge, cost or other liability of any kind suffered or incurred by the Customer arising out of or in any way connected with any interruption, defect, irregularity, failure, curtailment or reduction in Service. Under no circumstance or for any reason shall EEAI be liable to for any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, claims of a Customer, Customer's customers, contractors or other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable. Any claim by a Customer for loss, injury or damage, must be filed with EEAI within **two years** from the date of occurrence of the incident that is the subject of the claim, failing which EEAI shall have no liability to the Customer for any such loss, injury or damage.

### 9.5 Distribution Tariff

Each Customer shall be responsible for the Service Connection to a Site to permit the Customer to receive Regulated Rate Service. As a condition of receiving Regulated Rate Service, each Customer agrees to be bound by, and shall comply with, all provisions of the Distribution Tariff applicable to the Customer. At the request of EEAI, a Customer will enter into an agreement with EDTI or Fortis confirming that the Customer is bound by the applicable provisions of the Distribution Tariff.

### 9.6 Indemnification by Customer

Each Customer shall indemnify and hold EEAI and its employees, agents and contractors harmless from and against any claim for any loss, damage, expense, charge, cost (including legal fees), fine, penalty or other liability of any kind suffered or incurred by EEAI (including charges or liability arising under EDTI's and Fortis' Tariff) arising out of or in any way connected with any failure by the Customer or its Facilities to comply with any of the provisions of EDTI or Fortis' Distribution Tariff applicable to the Customer or its Facilities or any legal or regulatory

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requirement related to Distribution Access Service required to be complied with by the Customer. Without limiting the generality of the foregoing, Customer shall be liable to compensate EEAI for any costs, expenses or liabilities that it incurs under the provisions of any Owner's Terms and Conditions arising out of or connected with any action or inaction of the Customer related to Service.

## **9.7 EEAI Indemnification**

EEAI shall indemnify and hold a Customer harmless from and against direct physical loss, injury or damage to the Customer or the Customer's property resulting from the negligence or wilful misconduct of EEAI or its employees, agents or contractors acting within the scope of their employment or breach of these RRT Terms. For the purpose of this Article 7.6, "direct physical loss, injury, or damage" shall not include any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable. Any claim by a Customer for indemnity for loss, injury or damage, must be filed with EEAI within **two years** days from the date of occurrence of the incident that is the subject of the claim, failing which EEAI shall have no obligation to indemnify the Customer for any such loss, injury or damage.

## **ARTICLE 10 - DISPUTE RESOLUTION**

Without limiting any party's right under the EUA or to make complaints to the Board, both parties, acting in good faith shall endeavour to resolve differences prior to taking any action to the Board. Customers are encouraged to contact EEAI first with any issues prior to escalating the issue to the UCA or the EUB.

### **10.1 Dispute Charges**

The Customer has the right to dispute any charge shown on the Customers' bill by contacting EEAI either in writing or by telephone. EEAI will investigate all disputes and make any adjustments EEAI determines appropriate. If the dispute is within EEAI's control and is not resolved within 30 calendar days from the notice, the Customer may escalate the dispute as provided in Articles 10.2 and 10.3 and the Customer will not be required to pay any charges for the disputed period that are in excess of the average monthly bill of the Customer as reasonably determined by EEAI. The Customer will be responsible to pay all past and future charges while the specific charge in dispute is being resolved. Any outstanding disputed amount shall be due and payable within 10 Business Days of resolution. No additional charges intended as compensation for the dispute resolution process will be applied to disputed amounts.

### **10.2 Resolution by EEAI and Customers**

If any dispute between EEAI and a Customer arises at any time in connection with the RRT Terms, EEAI and the Customer, acting reasonably and in good faith, shall use their reasonable efforts to resolve the dispute as soon as possible in an amicable manner. If the dispute cannot be otherwise resolved pursuant to this Article 10.2, a representative of EEAI and the Customer shall meet to attempt to resolve the dispute.

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During the course of a dispute that has been escalated to the EUB in accordance with Article 10.1 of the RRT Terms EEAI shall not terminate or suspend Service for reasons of the escalated dispute, but may terminate or suspend Service if Customer is in contravention of other aspects of the RRT Terms or in violation of EDTI's or Fortis' Terms and Conditions.

### **10.3 Resolution by a Third Party**

If any dispute had not been resolved pursuant to Article 10.2 within a reasonable time, EEAI and the Customer may pursue the matter with the EUB if the matter is within the EUB's jurisdiction or pursue in Alberta any remedies available to them under applicable laws, including arbitration pursuant to the *Arbitration Act (Alberta)*.

## **ARTICLE 11 - MISCELLANEOUS**

### **11.1 Compliance with Applicable Legal Authorities**

EEAI and the Customer are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the EUB, Independent System Operator or other governmental authorities having applicable jurisdiction. Neither EEAI nor the Customer will be required to violate, directly or indirectly, or become a party to a violation of any requirement of the Independent System Operator or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide or receive Regulated Rate Service. EEAI's obligation to provide Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of Service will have been obtained and will be in force during the period Service is provided.

### **11.2 No Waiver**

The failure of EEAI or a Customer to insist on any one or more instances upon strict performance of any provisions of the RRT Terms, or take advantage of any rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No provision of the RRT Terms shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by EEAI or a Customer claimed to have waived or consented to excuse.