

Electronic Notification

June 30, 2009

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

Attention: Ms. Tammy Haydey
RRO & Default Operations Manager

**EPCOR ENERGY ALBERTA INC.
REGULATED RATE TARIFF
ELECTRIC ENERGY CHARGES – JULY 2009
ELECTRIC NON-ENERGY CHARGES – THIRD QUARTER 2009
APPLICATION NO. 1605208**

1. EPCOR Energy Alberta Inc. (EEAI) filed an application (Application) on June 24, 2009, with the Alberta Utilities Commission (AUC) for its energy charges applicable to its Regulated Rate Tariff (RRT) for the month of July 2009. The RRT energy charges are for the EPCOR Distribution & Transmission Inc. (EDTI) and FortisAlberta Inc. (Fortis) service territories.
2. The Application included a letter from the independent advisor¹ (the Advisor) confirming that the energy charges for July 2009 were calculated in accordance with all aspects of the Energy Price Setting Plan (EPSP) for 2006 to 2011, including the month-ahead portion and the Index Support Agreement as approved in Order [U2007-352](#).²
3. EEAI's EPSP was approved in Order [U2006-109](#),³ an order of the AUC's predecessor, the Alberta Energy and Utilities Board (Board). The EPSP formed part of a Negotiated Settlement, which the Board considered would result in rates that were just and reasonable.

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

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

³ Order U2006-109 – EPCOR Energy Inc. and EPCOR Energy Alberta Inc., 2006-2011 Regulated Rate Option Energy Price Setting Plan Negotiated Settlement (Applications 1454218 and 1454219) (Released: April 28, 2006)

4. EEAI's proposed energy charges for the month of July 2009 are as follows:

Energy Charges (EDTI Service Territory)

Rate Class	cents/kWh
Residential	8.475
Small Commercial	8.475
Lighting	4.068

Energy Charges (Fortis Service Territory)

Rate Class	cents/kWh
Residential	8.494
Small Commercial	8.487
Lighting	4.411
Farm	8.639
Irrigation	7.980
Oil & Gas	8.351

5. AUC staff members have reviewed the Application, including the letter from the Advisor, and the AUC accepts that the above noted energy charges represent rates determined in accordance with EEAI's EPSP for 2006-2011, including the month-ahead portion and the Index Support Agreement as approved in Order U2007-352. In this Order, the Board approved EEAI's adjustment to its 2006-2011 RRT EPSP Index Support Agreement as agreed to by customer parties and the Advisor.

6. In accordance with section 7(3) of the *Regulated Rate Option Regulation*, AR 262/2005, as amended (the RROR), the AUC acknowledges that the energy charges as set out above are applicable to EEAI's RRT in the noted service territories for the month of July 2009.

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

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

9. In the Application, EEAI also filed non-energy charges that are applicable for the EDTI and Fortis service territories for the third quarter 2009. EEAI indicated that the final non-energy charges, bad debt deferral account true-ups and non-energy true-ups (collectively the Normal Adjustments) used to calculate the non-energy charges for the third quarter were approved in [Decision 2008-063](#),⁴ dated July 23, 2008.

⁴ Decision 2008-063 – EPCOR Energy Alberta Inc. 2007-2009 Regulated Rate Tariff Non-Energy Charge Refiling (Application 1573623) (July 23, 2008)

10. However, in addition to the Normal Adjustments the non-energy charges required three further adjustments (Further Adjustments).⁵ The first adjustment arose out of the June to September 2009 Non-Energy Charge Adjustment mechanism adopted in EEAI's June 2009 Acknowledgement Filing. EEAI indicated that updated forecast site counts were used whereas site counts approved in Decision 2008-063 should have been used. EAI proposed to correct its error by including adjustments to its third quarter 2009 non-energy charges. The third quarter adjustments arising out of using the approved site counts (Updated June to September 2009 Non-Energy Charge Adjustments) are shown in the tables below for the EDTI and Fortis service territories.

Updated June - September 2009 Non-Energy Charge Adjustments (EDTI Service Territory)

Rate Class	(\$/Month/Site)
Residential	0.13
Small Commercial	0.04
Lighting	0.11

Updated June - September 2009 Non-Energy Charge Adjustments (Fortis Service Territory)

Rate Class	(\$/Month/Site)
Residential	0.13
Small Commercial	0.11
Lighting	0.08
Farm	0.09
Irrigation	0.16
Oil & Gas	(0.08)

11. EEAI stated that as a result of the June to September 2009 Non-Energy Charge Adjustment being applied to the June 2009 non-energy charges, EEAI had over collected \$2,415.30 from customers and a second adjustment was required (July Adjustments). EEAI proposed to refund this amount back to customers using corrected adjustment amounts that will apply to the July 2009 Non-Energy Charges. The July Adjustments are shown in the tables below for the EDTI and Fortis service territories.

July Adjustments (EDTI Service Territory)

Rate Class	(\$/Month/Site)
Residential	0.12
Small Commercial	0.04
Lighting	0.09

⁵ Section 17 states that an owner is not entitled to collect from a customer any amount undercharged as a result of a clerical error or incorrect rate calculation that is made more than 12 months before the date of the bill and section 18 states that if a customer is overcharged, the owner must refund the customer the amount of the overcharge as soon as practicable after the error is discovered.

July Adjustments (Fortis Service Territory)

Rate Class	(\$/Month/Site)
Residential	0.12
Small Commercial	0.11
Lighting	(0.13)
Farm	0.08
Irrigation	0.17
Oil & Gas	(0.07)

12. With respect to the third adjustment, EEAI, in June 2009, discovered an error in its Bad Debt Expense Deferral Account which caused Small Commercial sites in the Fortis service territory to be undercharged for the period from July 2008 to June 2009 (Bad Debt Deferral Adjustment). EEAI stated that a subset of the Fortis Small Commercial segment were incorrectly labeled in EEAI's billing system and as a result the bad debt activity incurred by this subset of customers was not included in the Bad Debt Deferral Account calculations for the Fortis Small Commercial customer class. EEAI indicated that no other customer segment is impacted by this error.

13. EEAI proposed to correct this error by applying a \$1.48/site adjustment to the Fortis Small Commercial customer class non-energy charge as part of the third and fourth quarter 2009 non-energy charges.

14. EEAI's non-energy charges for the month of July 2009 are as follows and include the Normal Adjustments, the Updated June to September 2009 Non-Energy Charge Adjustments the July Adjustments, and the Bad Debt Deferral Adjustment.

July 2009 Non-Energy Charges (EDTI Service Territory)

Rate Class	(\$/Month/Site)
Residential	5.66
Small Commercial	5.07
Lighting	5.49

July 2009 Non-Energy Charges (Fortis Service Territory)

Rate Class	(\$/Month/Site)
Residential	5.49
Small Commercial	7.30
Lighting	5.36
Farm	5.03
Irrigation	5.92
Oil & Gas	4.35

15. EEAI's non-energy charges for August 2009 and September 2009 are as follows and include the Normal Adjustments, the Updated June to September 2009 Non-Energy Charge Adjustments, as well as the Bad Debt Deferral Adjustment.

August - September 2009 Non-Energy Charges (EDTI Service Territory)

Rate Class	(\$/Month/Site)
Residential	5.67
Small Commercial	5.07
Lighting	5.51

August - September 2009 Non-Energy Charges (Fortis Service Territory)

Rate Class	(\$/Month/Site)
Residential	5.50
Small Commercial	7.30
Lighting	5.57
Farm	5.04
Irrigation	5.91
Oil & Gas	4.34

16. AUC staff members have reviewed the third quarter 2009 non-energy charges and the AUC accepts that these charges represent rates determined in accordance with Decision 2008-063 for the EDTI and Fortis service territories respectively and that they also include the Normal Adjustments and the Further Adjustments⁶ (collectively the Adjustments). AUC staff members have reviewed the Adjustments, which do not appear to be significant. The Commission will allow the collection and refund of the Adjustments in the third quarter 2009 non-energy charges as proposed. The Adjustments will be collected or refunded in accordance with sections 17 and 18 of the RROR.

17. If any affected party objects to the Adjustments or to the collection/refund of the Adjustments in the months of July through September 2009, they should notify the AUC and EEAI within 30 days from the date of this letter, and include the nature of their objection and the reason(s) why it should be considered.



Carolyn Dahl Rees
Vice-Chair

⁶ The Updated June to September 2009 Non-Energy Charge Adjustments, the July Adjustments, and the Bad Debt Deferral Adjustment.