



Effective July 1, 2011
FortisAlberta Inc.
2011 Q3 QTAR

**FortisAlberta Quarterly Transmission Adjustment Rider (QTAR)
For Q3 2011
('\$ 000)**

| Line No. | Description | A | B | C | D | E |
|----------|---|----------------------------------|-------------------------------------|-------------------------------------|---|----|
| | | Jan - April 2011 | May - Jun 2011 | Q3 2011 | Total Estimated YTD Deferral Balance at Q3 2011 | |
| | | (Costs Paid) / Credited [Note 1] | (Estimated Costs) / Credit [Note 2] | (Estimated Costs) / Credit [Note 2] | [Col A+B+C] | |
| 1 | DTS - Interconnection Charge [Sch 2 & 3, Line 28] | (63,101) | (30,144) | (68,267) | (161,512) | |
| 2 | DTS - Operating Reserve Charge [Sch 2 & 3, Line 29] | (22,481) | (6,362) | (4,855) | (33,698) | |
| 3 | DTS - Voltage Control Charge [Sch 2 & 3, Line 30] | (3,779) | (1,694) | (2,080) | (7,553) | |
| 4 | DTS - Other System Support Services Charge [Sch 2 & 3, Line 31] | (643) | (372) | (497) | (1,512) | |
| 5 | Under-Frequency Load Shedding Credits [Sch 2, Line 33] | 324 | 134 | 201 | 659 | |
| 6 | Interchange Charge [Sch 3, Line 33] | (1,270) | (568) | (855) | (2,693) | |
| 7 | Rider C (Charge) / Credit [Sch 2 & 3, Line 34] [Note 3] | (16,051) | (18,347) | - | (34,398) | |
| 8 | Total Cost | (107,001) | (57,353) | (76,353) | (240,707) | |
| 9 | Total Revenue [Sch 4, Line 49] [Notes 1 & 2] | 88,130 | 42,193 | 64,645 | 194,968 | |
| 10 | Variance Over / (Under) Collected [8 + 9] | (18,871) | (15,160) | (11,708) | (45,739) | |
| 11 | Total QTAR Collected / (Refunded) [Note 4] | 13,727 | 7,894 | - | 21,622 | |
| 12 | Total Variance Over / (Under) Collected [10 + 11] | (5,144) | (7,266) | (11,708) | (24,117) | |
| 13 | | | Q1 | Q2 | Q3 | Q4 |
| 14 | Quarterly Adjustment % (to be added to 2011 Base TAR %): | | 14.62% | 18.71% | 37.31% | |

Charge / (Refund)

| Rate Class Description | Rate Code | 2011 Quarterly Transmission Adjustment Rider (QTAR) Charge / (Credit) | | | | |
|-----------------------------|------------------|---|----------------|------------------|-------------------------|----------------|
| | | 2011 Base TAR [Note 5] | Q1 Jan 1, 2011 | Q2 April 1, 2011 | [Note 6] Q3 Jul 1, 2011 | Q4 Oct 1, 2011 |
| 15 Residential | Rate 11 | 10.73% | 25.35% | 29.44% | 48.04% | |
| 16 FortisAlberta Farm | Rates 21, 23 | 9.81% | 24.43% | 28.52% | 47.12% | |
| 17 REA Farm | Rates 24 | 9.56% | 24.18% | 28.27% | 46.87% | |
| 18 FortisAlberta Irrigation | Rate 26 | -1.28% | 13.34% | 17.43% | 36.03% | |
| 19 REA Irrigation | Rate 29 | 9.56% | 24.18% | 28.27% | 46.87% | |
| 20 Exterior Lighting | Rates 31, 33, 38 | 10.53% | 25.15% | 29.24% | 47.84% | |
| 21 Small General Service | Rate 41 | 9.14% | 23.76% | 27.85% | 46.45% | |
| 22 Oil & Gas Service | Rates 44,45 | 7.24% | 21.86% | 25.95% | 44.55% | |
| 23 General Service | Rate 61 | 6.76% | 21.38% | 25.47% | 44.07% | |
| 24 Large General Service | Rate 63 | 6.74% | 21.36% | 25.45% | 44.05% | |

Notes:

- Actual costs are taken from the AESO, Interchange and Option M invoices. At the time of filing, April's actual Interchange charges, Option M charges and Revenue were not available or finalized, therefore the amounts are estimates.
- Estimated revenue is calculated based on forecast volumes multiplied by FortisAlberta's Rates as per the 2010 Phase II Compliance Filing (as approved in Decision 2010-576). Estimated costs (including Option M) are calculated based on Distribution-Connected load forecast volumes multiplied by the AESO's proposed Tariff (as per the AESO's 2010 ISO Tariff Compliance Filing). Interchange charges are calculated based on forecast Interchange volumes multiplied by the other utilities' distribution rates. The forecasted volumes used are those approved in the 2010-2011 Phase I Compliance Filing, Decision 2010-560.
- Rider C for Q3 2011 is forecast to be zero pending approval of the AESO 2010 tariff.
- Column A, Line 11 - collection of \$13727K is calculated using actual QTAR collected from January to March and forecasted April revenue multiplied by the Q2 Quarterly Adjustment. Column B, Line 11 - collection of \$7894M is calculated by multiplying the forecasted revenue for May - Jun 2011 by the Q2 Quarterly Adjustment. Column C, Line 11 is 0 because the Quarterly Adjustment amount will not be collected until September 2011, therefore collections/(refunds) are not incorporated in the calculation.
- Base TAR is from the 2009 AESO Charges Deferral Account and 2011 Quarterly Transmission Adjustment Rider Application (as per Decision 2010-558 on December 7, 2010).
- The Quarterly Adjustment % is determined based on the Total Variance Over / (Under) Collected (Column D, Line 12) divided by Q3 Estimated Revenue (Column C, Line 9). The Quarterly Adjustment of 37.31% is added to the base 2011 TAR by rate class (Column A, Lines 15 through 24) to derive the Q3 QTAR % (Col D, Lines 15 through 24). The QTAR applies as a percentage of base Distribution Tariff Transmission Component charges.