

**FortisAlberta Quarterly Transmission Adjustment Rider (QTAR)
For Q1 2011
(\$ 000)**

Line No.	Description	A Q1 2011 (Estimated Costs) / Credit [Note 2]	B
1	DTS - Interconnection Charge	(47,991)	
2	DTS - Operating Reserve Charge	(14,195)	
3	DTS - Voltage Control Charge	(2,861)	
4	DTS - Other System Support Services Charge	(566)	
5	Under-Frequency Load Shedding Credits	201	
6	Interchange Charge	(901)	
7	Rider C (Charge) / Credit [Note 3]	(8,010)	
8	Total Cost	(74,323)	
9	Total Revenue [Note 1 & 2]	64,842	
10	Variance Over / (Under) Collected [8 + 9]	(9,481)	
11	Total QTAR Collected / (Refunded) [Note 4]	-	
12	Total Variance Over / (Under) Collected [10 + 11]	(9,481)	
13			Q1
14	Quarterly Adjustment % (to be added to 2011 Base TAR %):		14.62%

Charge / (Refund)

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

Notes:

- Actual costs are taken from the AESO, Interchange and Option M invoices. At the time of filing, actual charges and revenue were not available.
- Estimated revenue is calculated based on forecast volumes multiplied by FortisAlberta's Rates as per the 2010-2011 Phase II DTA (Application #1605580, Proceeding ID. 362). Estimated costs (including Option M) are calculated based on Distribution-Connected load forecast volumes multiplied by the AESO's current Tariff (as per the AESO's 2009 Rates Update Application as approved in AUC Decision 2009-141 effective October 1, 2009). Interchange charges are calculated based on forecast Interchange volumes multiplied by the other utilities' distribution rates. The forecasted volumes used are those as filed in 2010/2011 Distribution Tariff Application and approved in Decision 2010-309.
- Rider C is calculated based on forecasted volumes multiplied by the AESO's quarterly updated Rider C estimate. At the time of filing, the AESO has not released their Rider C level for Q1. For the Q1 QTAR, FortisAlberta has estimated the Q1 Rider C as per Schedule 5.
- The Quarterly Adjustment amount will not be collected until January 1, 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 (Application #1606582, Proceeding ID #849).
- The Quarterly Adjustment % is determined based on the Total Variance Over / (Under) Collected divided by Q1 Estimated Revenue. The Quarterly Adjustment of 14.62% is deducted from the base 2011 TAR (as filed in the 2009 ACDA and 2011 TAR, Application #1606582, Proceeding ID. 849) by rate class (Column A, Lines 15 through 24) to derive the Q1 QTAR % (Col B, Lines 15 through 24). The QTAR applies as a percentage of base Distribution Tariff Transmission Component charges.