

Effective July 1, 2010 to September 30, 2010

**FortisAlberta Quarterly Transmission Adjustment Rider (QTAR)
For Q3 2010
'(\$ 000)**

Line No.	Description	A	B	C	D	
		Jan - April 2010 (Costs Paid) / Credited [Note 1]	May - Jun 2010 (Estimated Costs) / Credit [Note 2]	Q3 2010 (Estimated Costs) / Credit [Note 2]	Total Estimated YTD Deferral Balance at Q3 2010 [Col A+B+C]	
1	DTS - Interconnection Charge	(61,106)	(29,635)	(45,407)	(136,148)	
2	DTS - Operating Reserve Charge	(11,715)	(12,818)	(12,983)	(37,516)	
3	DTS - Voltage Control Charge	(3,613)	(1,672)	(2,617)	(7,902)	
4	DTS - Other System Support Services Charge	(619)	(369)	(554)	(1,542)	
5	Under-Frequency Load Shedding Credits	307	134	201	642	
6	Interchange Charge	(821)	(564)	(848)	(2,233)	
7	Rider C (Charge) / Credit [Note 3]	(5,227)	(4,630)	-	(9,858)	
8	Total Cost	(82,794)	(49,554)	(62,209)	(194,557)	
9	Total Revenue [Note 1 & 2]	84,606	41,372	63,387	189,364	
10	Variance Over / (Under) Collected [8 + 9]	1,811	(8,183)	1,179	(5,193)	
11	Total QTAR Collected / (Refunded) [Note 4]	(377)	(770)	-	(1,146)	
12	Total Variance Over / (Under) Collected [10 + 11]	1,434	(8,952)	1,179	(6,339)	
13			Q1	Q2	Q3	Q4
14	Quarterly Adjustment % (to be added to 2010 Base TAR %):		-	-1.86%	10.00%	TBD
	Charge / (Refund)				[Note 5]	

Rate Class Description	Rate Code	2010 Quarterly Transmission Adjustment Rider (QTAR) Charge / (Credit)			
		2010 Base (Q1) 'Jan 1, 2010	Q2 'April 1, 2010	[Note 5] Q3 Jul 1, 2010	Q4 Oct 1, 2010
15 Residential	Rate 11	23.79%	21.93%	33.79%	
16 FortisAlberta Farm	Rates 21, 23	20.79%	18.93%	30.79%	
17 REA Farm	Rates 24	20.79%	18.93%	30.79%	
18 FortisAlberta Irrigation	Rate 26	11.86%	10.00%	21.86%	
19 REA Irrigation	Rate 29	11.86%	10.00%	21.86%	
20 Exterior Lighting	Rates 31, 33, 38	19.87%	18.01%	29.87%	
21 Small General Service	Rates 41	24.20%	22.34%	34.20%	
22 Oil & Gas Service	Rates 44, 45	25.43%	23.57%	35.43%	
23 General Service	Rate 61	24.87%	23.01%	34.87%	
24 Large General Service	Rate 63	26.30%	24.44%	36.30%	

Notes:

- Actual costs are taken from the AESO, Interchange and Option M invoices. At the time of filing, April's actual Interchange and Option M charges and March and April's Revenue were not available or finalized, therefore the amounts are estimates.
- Estimated revenue is calculated based on forecast volumes multiplied by FortisAlberta's 2010 Interim Rates (as per the Interim 2010 Distribution Tariff Application as approved in AUC Decision 2009-272 on December 21, 2009). 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. Please note that the forecasted volumes used are those filed in the 2010/2011 Distribution Tariff Application Proceeding 212.
- Rider C is calculated based on forecast volumes multiplied by the AESO's quarterly updated Rider C estimate. Please note that at the time of the filing of this Quarterly Adjustment calculation, the AESO has not released their Q3 Rider C estimate therefore Q3 Rider C is forecasted to be zero.
- Column A, Line 11 - refund of \$377K was calculated using the forecasted revenue for April 2010 multiplied by -1.86% (which represents Q2 Quarterly Adjustment %) because Quarterly Adjustment was not implemented until Q2 (April 1, 2010). Column B, Line 11 - refund of \$770K was calculated by multiplying the forecasted revenue for May and June by -1.86%.
- The Quarterly Adjustment % is determined based on the Total Variance Over / (Under) Collected divided by Q3 Estimated Revenue. The Quarterly Adjustment of 10.00% is added to the base 2010 TAR (as approved in AUC Decision 2009-260) by rate class. The QTAR applies as a percentage of base Distribution Tariff Transmission Component charges. To determine each rate class' Q3 QTAR % (Col D, Lines 15 through 24) add Col B (Lines 15 through 24) with 10.00% (Col D, Line 14).