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Our File No.: 8794-1867

September 23, 2004

Alberta Energy and Utilities Board
640 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Attention: Mr. Chris Burt
Application Officer

Dear Sirs:

Re: ATCO Electric Ltd. ("ATCO Electric")
2004 Phase II Distribution Tariff Application
Application No. 1349514

ATCO Electric is in receipt of a Notice of Motion, dated September 20, 2004, from the REA/AAMDC seeking further response to certain Information Requests posed during the referenced proceeding. As well, ATCO Electric has received the Board's procedural directions regarding the disposition of this matter, by letter dated September 22, 2004.

In responding to this Motion, ATCO Electric is attempting to balance the desire to be as helpful as possible with the clear position that it is entirely inappropriate to seek to revisit or address Phase I matters in this proceeding. The purpose of a Phase II is not to debate revenue requirement items, it is to allocate the revenue requirement to rate classes. The additional clarity provided via the Notice of Motion has enabled ATCO Electric to better understand the purpose of certain Information Requests. Where ATCO Electric has been able to obtain additional information with a reasonable amount of effort, it has revised the Information Response and attached the revised information hereto.

In certain other cases, REA/AAMDC reiterates their request for detailed information that is simply not available to ATCO Electric. Notwithstanding the REA/AAMDC assertions, ATCO Electric simply does not possess this information; and can not get it with a reasonable amount of effort. In certain cases it would take months to develop the information and in other cases the information systems required to generate the materials simply do not exist.

ATCO Electric submits that the additional information provided herewith represents a reasonable response to the issues identified by the REA/AAMDC. In light of these revised responses, ATCO Electric requests that the REA/AAMDC Motion be dismissed.

September 23, 2004
Page Two

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned.

Yours truly,

BENNETT JONES LLP

Loyola Keough

LGK/el

Cc: REA/AAMDC
Interested Parties



REA-AAMDC-ATCO-13
Page 1 of 1
(Revised)

**ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514**

**Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20, 2004**

REA-AAMDC-ATCO-13

Request:

Please identify each REA purchased by ATCO in the past ten years. For each REA that ATCO has purchased, please provide the purchase price, the net book value (if available), the number of customers, and the number of kilometers of line, and the number and number of transformers and kVA of transformer capacity.

Response:

ATCO Electric maintains that the matter of ATCO Electric's purchases of REAs is not related to any Phase II issue. This is a commercial issue between the REA and ATCO Electric. Furthermore, the information requested is not related to the parameters used to allocate costs in this Phase II proceeding. ATCO Electric has also determined that a similar request was made by the REA/AAMDC in the context of ATCO Electric's 1998 Phase II GTA - REA/AAMDC-APL-24 (Attachment 1). This information was not considered relevant in the context of that case. Notwithstanding, similar information was provided by ATCO Electric in the context of the recent Generic Cost of Capital Proceeding in response to an Information Request from the Consumers Group - CG-AE-3 (Attachment 2). Both of these information responses are attached hereto.



ALBERTA POWER LIMITED
An **ATCO** Company

1998 General Tariff Application Phase II
Alberta Federation of REA's Ltd. / Alberta
Association of Municipal Districts & Counties
Information Request No. 1
Dated: August 26, 1998

REA/AAMDC-APL-24

Q. Distribution – REA Purchases

Please list each REA purchased in the past ten years (since January 1, 1988.) Give the depreciated book value, the purchase price, the date the purchase closed, and the number of customers served by the REA.

A. Alberta Power does not consider this information request to be relevant to the 1998 Phase II General Tariff Application.



**Generic Cost of Capital Proceeding
Application No. 1271597**

**Information Response No. 1 To:
Consumers Group
Received: July 25, 2003**

CG-AE-3

Topic: Capital Structure by Sector

Reference: Minimum Information Requirements Part C

Issue/Subject: Business Risk

Quote:

Preamble: The CG wishes to determine any changes to rate base and shareholder profitability resulting from loss or gain of new markets.

Request:

- (a) For the year 2002, please identify any distribution assets which were either purchased from other entities such as REAs or municipal utilities or sold to these entities, including original book value of facilities purchased (sold), payment for facilities purchased (sold) and number of customers gained (lost).
- (b) Please provide the same information with respect to years 1998 to 2001.
- (c) Please provide whether amounts in excess of book value of payments for purchases were included in rate base, whether amounts of sales at less than book value were charged in rates, and whether shareholders received profits from sales at prices above book value since 1998 and the amounts thereof.

- (d) Please identify any distribution assets that have been stranded due to bypass for any reason in 2002 and prior historical years 1998 to 2001. Identify the rate making treatment of that property and (e.g., was it retired, how did the retirement affect growth plan and depreciation reserve, etc.)


Response:

- (a) Please refer to CG-AE-3(b).
- (b) Refer to table below.

REA	Transfer Date	Book Value*	Purchase Price	# Customers
Primrose	May-98	185,635	366,812	120
Pioneer	Nov-98	191,658	470,872	121
Rowley	Apr-99	427,904	756,753	255
Michichi	Jul-99	268,101	435,681	118
Whitemud	Sep-99	1,048,121	1,612,450	326
Boyer River	Sep-99	1,230,128	1,886,396	396
LaCrete	Sep-99	2,903,663	3,995,353	764
8 Co-op	Jun/Aug/Sep-00	2,723	12,688	8
Wapiti	Jul-01	509,790	943,220	220
West Pouce Coupe	Sep-01	71,406	128,160	29
Ottawa	Nov-01	313,805	536,894	154
Morecambe	Dec-01	365,550	652,400	133
Ranchlands	Oct-02	1,794,254	2,854,302	567

* These are net book value figures

- (c) The full acquisition cost was included in rate base.
- (d) No assets have been stranded due to bypass since 1998.

	SPECIFICATION NO 999	REVISION NO 0	EFFECTIVE DATE June 12, 2000	PAGE 1 of 1
	DESCRIPTION Distribution Transformer Loss Evaluation		PREPARED BY	
			APPROVED BY	
			APPROVED BY	

1) The following formulas shall be used to evaluate transformer losses:

Where: P = quoted price

K_c = core loss in kW

K_r = copper loss in kW

Secondary Voltage above 120/208

$$P_n = P + 4190 (K_c) + 3440 (K_r)$$

Secondary Voltage 120/208 and below

$$P_n = P + 4190 (K_c) + 2010 (K_r)$$



REA-AAMDC-ATCO-20
Page 1 of 1
(Revised)

**ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514**

**Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20, 2004**

REA-AAMDC-ATCO-20

Request:

What is the total cost of capacitors on the Atco distribution system? Divide into rural and non-rural if available. Identify the specific plant cost category where Atco includes capacitors (e.g., transformers, conductor, etc.), as well as the cost category where they are included in Section 4, Attachment 2 (Foster & Associates study) Exhibits 3, 4, and 5.

Response:

ATCO Electric reiterates its original response and confirms that this information cannot be obtained with reasonable effort. Hence, pursuant to s. 29(1)(b) of the Rules of Practice, ATCO Electric does not have the information at the level of detail required in order to be able to provide an answer as to the total cost of capacitors on the Distribution system. Capacitors are included in the Transformer asset account; this would also be the account/category where they are included in the Foster Associates, Inc. study.



REA-AAMDC-ATCO-21
Page 1 of 1
(Revised)

**ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514**

**Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20, 2004**

REA-AAMDC-ATCO-21

Reference: Section 4, Attachment 2

Request:

Please identify the total costs that Atco spent on surveying as a part of capital projects in each year from 2000-2003 recorded and 2004 forecast.

Response:

In the materials supporting the Notice of Motion, REA/AAMDC indicate that "... we have not seen such high surveying costs". ATCO Electric is not here to debate the magnitude of surveying costs in the context of this Phase II application. Furthermore, as previously stated, pursuant to s. 29(1)(b) of the Rules of Practice, ATCO Electric does not have this information available to it. ATCO Electric does not separately record surveying costs nor does it forecast these costs as a separate entity. The survey costs contained in Section 4, Attachment 2 are field estimates used for purposes of the classification factor study and are ATCO Electric's best estimate when installing new services.



REA-AAMDC-ATCO-22
Page 1 of 3
(Revised)

ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514

Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20 2004

REA-AAMDC-ATCO-22

Reference: Section 4, Attachment 2, Foster Associates Report

Request:

Regarding Section 4, Attachment 2, Exhibit 4 (transformer zero-intercept study):

- (a) Please provide documentation supporting the cost of other materials, easements, surveying, labor, and overheads included in the transformer installation cost in Schedule 4, page 1.
- (b) Provide specific support for the contention that the labor costs are identical for all sizes of transformer on Exhibit 4, Schedule 3.
- (c) For each transformer listed on Exhibit 4, Schedule 1, state whether the transformer is single-phase or three-phase and whether it is pole-mounted, pad-mounted, or installed in an underground vault.
- (d) Please provide the total dollar cost of the transformers installed in each year (materials plus installation), as shown on Exhibit 4, Schedule 4, page 2.
- (e) Does the minimum size study assume that each customer is separately served by a transformer?



REA-AAMDC-ATCO-22
Page 2 of 3
(Revised)

Response:

(a) and (b)

Estimated costs for added material, survey, labor and overhead were obtained from field staff who have considerable experience on the acquisition of such items.

- (c) Pursuant to s. 29(1)(b) of the Rules of Practice, the requested information is not available. ATCO Electric does not maintain its fixed assets with the requested designations. ATCO Electric cannot distinguish those situations where single phase transformers are used in three phase designs. With respect to the listed transformers for the (d) part of this question, after TKVA ###, the letters OH refer to overhead (pole mounted) transformers, and the letters PL refer to pad mounted loop transformers.



(d) The total costs of transformers per year are as follows:

TRANSFORMERS \$										
Description	Total	2003	2002	2001	2000	1999	1998	1997	1996	1995
1 TKVA 10 OH 12.4GY/7.2/120/240	4,461,162	448,829	382,244	345,253	357,583	290,999	579,532	660,913	685,574	710,235
2 TKVA 10 OH 24.9GY/14.4/120/240	24,198,213	1,975,103	3,004,923	2,474,643	2,733,378	2,474,643	3,842,613	3,189,369	1,741,984	2,761,558
3 TKVA 15 OH 12.4GY/7.2/120/240	690,745	42,546	50,054	170,184	20,022	-	32,535	235,254	87,595	52,557
4 TKVA 15 OH 24.9GY/14.4/120/240	3,997,008	445,585	371,321	172,399	466,804	538,416	530,459	692,249	381,930	397,844
5 TKVA 25 OH 12.4GY/7.2/120/240	724,427	52,736	49,960	133,228	105,472	33,307	49,960	227,598	69,390	2,776
6 TKVA 25 OH 2.4/4.16Y/120/240TA	1,676,889	115,250	69,150	57,625	478,288	97,963	481,169	242,025	69,150	66,269
7 TKVA 25 OH 24.9GY/14.4/120/240	7,727,586	905,372	870,550	528,134	1,186,850	525,232	1,311,629	1,105,599	493,312	800,906
8 TKVA 25 PL 12.4GY/7.2X24.9GY/1	822,521	202,960	170,913	149,549	74,775	-	117,503	10,682	-	96,139
9 TKVA 25 PL 24.9GY/14.4/240/120	91,949	10,217	-	-	40,866	-	-	40,866	-	-
10 TKVA 37.5 OH 2.4/4.16/120/240	6,945	6,945	-	-	-	-	-	-	-	-
11 TKVA 50 OH 12.4GY/7.2/120/240	172,009	55,043	34,402	13,761	27,521	-	24,081	17,201	-	-
12 TKVA 50 OH 14.4Y/2.4	11,908	7,939	-	-	-	-	-	-	-	3,969
13 TKVA 50 OH 2.4/4.16Y/120/240TA	539,981	78,747	63,748	7,500	138,745	104,996	104,996	26,249	7,500	7,500
14 TKVA 50 OH 24.9GY/14.4/120/240	4,613,876	625,084	404,060	424,781	490,397	286,641	866,829	652,712	466,223	397,153
15 TKVA 50 PL 24.9GY/14.4/240/120	8,335,077	1,060,618	1,383,415	749,350	1,002,976	1,060,618	1,245,074	830,049	703,236	299,740
16 TKVA 75 OH 12.4GY/7.2/120/240	7,555	3,778	-	-	-	-	3,778	-	-	-
17 TKVA 75 OH 2.4/4.16Y/120/240TA	140,998	12,818	-	-	102,544	8,545	17,091	-	-	-
18 TKVA 75 OH 2.4/4.16Y/2.4/208Y/	10,703	5,351	-	-	5,351	-	-	-	-	-
19 TKVA 75 OH 24.9GY/14.4/120/240	1,121,051	101,545	134,039	-	69,050	28,432	308,695	288,386	60,927	129,977
20 TKVA 75 PL 12.4GY/7.2/240/120	185,823	11,614	-	-	-	-	-	139,367	34,842	-
21 TKVA 75 PL 12.4GY/7.2X24.9GY/1	11,218	11,218	-	-	-	-	-	-	-	-
22 TKVA 75 PL 24.9GY/14.4/240/120	2,955,848	344,479	444,488	422,264	411,152	255,581	511,162	333,366	222,244	11,112
23 TKVA 75 PL 4.16GY/2.4/240/120	33,909	33,909	-	-	-	-	-	-	-	-
24 TKVA100 OH 14.4/7.2	20,900	-	-	-	-	5,225	5,225	-	-	10,450
25 TKVA100 OH 2.4/4.16Y/120/240TA	23,489	4,698	-	-	4,698	-	9,396	4,698	-	-
26 TKVA100 OH 24.9GY/14.4/120/240	195,887	14,333	-	43,000	-	-	57,333	28,666	9,555	43,000
27 TKVA100 PL 24.9GY/14.4/240/120	974,580	97,458	328,921	328,921	219,281	-	-	-	-	-
28 TKVA100 PL 4.16GY/2.4/240/120	31,981	31,981	-	-	-	-	-	-	-	-
29 TKVA150 OH 2.4/4.16Y/2.4/208Y/	14,290	-	-	-	7,145	-	7,145	-	-	-
30 TKVA150 OH 24.9/12.4GY/7.2TAP	64,200	5,836	-	-	-	17,509	5,836	11,673	-	23,346
31 TKVA150 OH 24.9GY/14.4/120/240	23,666	11,833	-	-	11,833	-	-	-	-	-
32 TKVA150 OH 4.16Y/2.4/600Y/347T	55,771	27,885	-	-	-	27,885	-	-	-	-
33 TKVA150 PL 4.16GY/2.4/208Y/120	176,508	66,190	-	-	44,127	-	22,063	-	-	44,127
34 TKVA250 OH 24.9/12.4GY/7.2TAP	168,276	8,414	8,414	-	16,828	-	-	58,897	8,414	67,310
35 TKVA300 PL 4.16GY/2.4/208Y/120	47,428	47,428	-	-	-	-	-	-	-	-
36 TKVA300 PL 4.16GY/2.4/480Y/277	49,570	-	-	-	-	49,570	-	-	-	-
37 TKVA333 OH 24.9/12.4Y/7.2 TAP	27,955	9,318	-	9,318	9,318	-	-	-	-	-
38 TKVA333 OH 24.9/7.2/14.4/7.2TA	23,810	7,937	-	-	-	-	-	-	15,873	-
39 TKVA500 OH 14.4/24.9Y/2.4/4.16	57,376	-	-	-	-	28,688	-	-	-	28,688
40 TKVA500 OH 14.4/24.9Y/277/480Y	49,790	-	-	-	-	-	-	-	49,790	-
41 TKVA500 OH 24.9/12.4GY/7.2TAP	207,589	21,851	21,851	10,926	-	10,926	-	32,777	21,851	87,406
42 TKVA500 OH 24.9/2.4/4.16YTAP	469,331	76,626	-	-	57,469	86,204	-	57,469	67,047	124,516
43 TKVA500 OH 24.9/2.4TAP	9,776	9,776	-	-	-	-	-	-	-	-
44 TKVA500 OH 24.9/277/480YTAP	387,319	27,666	18,444	-	-	-	-	27,666	64,553	248,991
45 TKVA500 OH 4.16/14.4/24.9YTAP	118,581	-	-	-	-	-	-	47,433	-	71,149
46 TKVA500 PL 4.16GY/2.4/600Y/347	91,369	30,456	-	30,456	-	30,456	-	-	-	-
TOTAL	65,826,843	7,057,371	7,810,898	6,071,290	8,082,475	5,961,836	10,134,104	8,961,163	5,260,990	6,486,716

(e) No.



REA-AAMDC-ATCO-24
Page 1 of 1
(Revised)

**ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514**

**Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20, 2004**

REA-AAMDC-ATCO-24

Reference: Section 4, Attachment 2

Request:

Please identify and provide the cost of the minimum sized transformer used by each customer class, taking into account separate information for urban and rural if applicable.

Response:

The classification factor studies included in Section 4, Attachment 2 indicate minimum system sizes for the assets studied. The study conceptually determines a minimum size plant for the particular assets and does not, nor is it intended to, provide analysis on a rate class basis. Therefore, pursuant to s. 29(1)(b) ATCO Electric does not have the requested information available at this level of detail as its records are not kept in this manner.



REA-AAMDC-ATCO-25
Page 1 of 1
(Revised)

ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514

Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Received: September 20, 2004

REA-AAMDC-ATCO-25

Reference: Section 4, Attachment 2

Request:

Please provide all available information on the number of urban customers per transformer for customer classes where more than one customer per transformer is likely (residential, small commercial). Provide the average number of residential and small commercial customers per transformer and any information on the distribution of transformers by number of customers attached. Divide into urban and rural as applicable.

Response:

Please refer to AUMA-ATCO-20. ATCO Electric does not have the information in the detail requested. However, a proxy to the information can be determined by utilizing the electronic spreadsheet [Mif3.xls]Misc Input (Column F, Rows 19 – 67). By inverting the number the average number of customers/transformer can be determined.



REA-AAMDC-ATCO-33
Page 1 of 2
(Revised)

**ATCO ELECTRIC
2004 Distribution Tariff Application No. 1349514**

**Information Response No. 1 To:
Alberta Federation of REA's Ltd. and the
Alberta Association of Municipal Districts & Counties
Revised: September 20, 2004**

REA-AAMDC-ATCO-33

Reference: Rural Capital Cost Study

Request:

Please identify the number of customers and kWh of energy in each customer class from 1960 to the present. Divide into urban and rural to the extent that data are available.

Response:

ATCO Electric reaffirms that the detailed information requested is not available and cannot be obtained with reasonable effort. ATCO Electric further questions the need for this level of detail, as the methodology adopted by ATCO Electric in the Rural Capital Cost Study can be adequately tested based on the information provided. Therefore, pursuant to s. 29(1)(b) of the Rules of Practice, this level of information, going back to 1960, is not available in the format requested. Current data, however, from ATCO Electric's 2004 and 2001 filings is as follows:



REA-AAMDC-ATCO-33
Page 2 of 2
(Revised)

Rate Class	2004 Customers	2004 Energy (MW.h)	2001 Customers	2001 Energy (MW.h)
Non-Rural				
NR11D	102,986	726,099	103,304	754,671
NR56D	0	0	1	0
NR51D	0	0	0	0
NR21D	15,905	530,146	13,963	364,692
NR25D	0	0	3	52
NR26D	0	0	0	0
NR31D	1,431	1,128,479	899	684,831
NR33D	0	0	0	0
NR32D	0	0	0	0
NR41D	0	0	18	432
NR61D	682	18,710	614	16,833
NR63D	1,716	2,637	1,768	2,716
Total	<u>122,720</u>	<u>2,406,070</u>	<u>120,570</u>	<u>1,824,227</u>
Rural	182,626			
RR11D	13,606	129,666	4,973	3,750
RR56D	18,188	321,057	16,835	277,396
RR51D	7,732	120,153	8,241	136,119
RR21D	4,994	108,583	5,379	78,947
RR25D	57	1,784	27	1,149
RR31D	2,882	4,227,022	4,187	3,970,350
RR41D	9,684	440,562	8,661	321,816
RR26D	0	0	0	1
RR33D	0	0	0	0
RR61D	134	2,556	121	2,300
RR63D	2,029	1,773	2,090	1,826
RR32D	49	1,187	0	0
RR52D	550	7,860	629	7,881
Total	<u>59,906</u>	<u>5,362,204</u>	<u>51,143</u>	<u>4,783,988</u>
Primary				
PRNR31D	4	37,869	2	39,004
PRRR31D	46	485,278	58	601,820
PRNR32D	1	0	0	0
PRRR32D	0	61	1	14
PRNR33D	0	0	0	0
PRRR33D	0	0	0	0
RR31T	33	1,537,738	40	2,346,401
RR33T	1	3,420	0	0
Total	<u>85</u>	<u>2,064,365</u>	<u>101</u>	<u>2,987,239</u>
Summary				
Non-Rural	122,720	2,406,070	120,570	1,824,227
Rural	59,906	5,362,204	51,143	4,783,988
Primary	85	2,064,365	101	2,987,239
Total	<u>182,711</u>	<u>9,832,640</u>	<u>171,814</u>	<u>9,595,454</u>