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Our File No.: 8794-2132

June 8, 2007

Alberta Energy and Utilities Board
10055 - 106 Street
Edmonton, AB
T5J 2Y2

Att: Mr. Chris Burt
Application Officer

Dear Sir:

**Re: ATCO Electric Ltd.
2007 Rider G Application – No. 1511368
Final Argument**

In accordance with the Board's Notice of Application, please find attached ATCO Electric's Final Argument.

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

Yours truly,

BENNETT JONES LLP



Loyola G. Keough
Counsel for ATCO Electric Ltd.

ALBERTA ENERGY AND UTILITIES BOARD

ATCO ELECTRIC LTD.

2007 RIDER APPLICATION

APPLICATION NO. 1511368

FINAL ARGUMENT


1. By letter dated May 4, 2007 ATCO Electric Ltd. ("ATCO Electric") filed with the Board an Application seeking approval of the 2007 Rider G Application.
2. ATCO Electric proposed that the new Rider remain in place for the period August 1, 2007 to December 31, 2007, consistent with the collection/refund period of previous Rider applications (refer to CCA/PICA-ATCO-4). Rider G is applicable to all distribution tariff customers.
3. Consistent with previous Rider Applications, ATCO Electric provided a breakdown of the various components that comprised each of the applied-for Riders and provided explanations as to how the amounts included in the Application were derived. Detailed supporting Schedules were provided in order to more fully explain the derivation of the amounts included in the Application. Additionally, updated Price Schedules were included as part of the Application. It is important to note that, in bringing forth this Application ATCO Electric adopted an approach similar to that utilized in prior Rider Applications that had been approved by the Board. ATCO Electric did not propose any new method to dispense of this Rider.
4. ATCO Electric submits that the 2007 Rider Application is relatively straightforward in nature and that the detailed information provided as part of the Application is largely self explanatory. Additional information was provided in response to various Information Requests, which served to further clarify any issues that arose from the Application. In ATCO Electric's view, for the reasons provided herein, combined with the consistent approach approved in previous

applications explains why no significant issues have been identified regarding the referenced Application. ATCO Electric does not see a need to repeat the details contained in the Application as part of this Argument, but rather would direct the Board and parties to the approvals requested with respect to Rider G on page 8 of the Application.

5. The Board established an Information Request process to assist in the examination of this Rider Application. Very few questions were received by ATCO Electric and the questions posed by the Board, CCA/PICA and UCA appear largely to seek additional clarification regarding certain specific items contained in the Rider Application. ATCO Electric is of the view that the Responses provided to the questions posed fully explain the matters raised therein.
6. As stated above, ATCO Electric submits this application is straightforward in that the number of components to be refunded/collected has reduced. The largest component is collection of 2006 Deferral Estimates of \$6.8 M. This amount is detailed in response to BR-ATCO-1.
7. As noted in the Application, ATCO Electric reiterates that the manner in which the 2006 deferral accounts (estimated at \$6.8 M) were allocated is consistent with the approach used in ATCO Electric's 2006 Rider G Application, which was approved in Decision 2006-071. ATCO Electric has allocated the deferral account estimate associated with Transmission Access Payments (TAP), based on its approved 2006 energy forecast by rate class, while the amount relating to the remainder of deferral balances has been allocated by rate class based on the 2006 forecast revenue at existing rates.
8. As outlined in CCA/PICA-ATCO-5, ATCO Electric will apply for approval of the 2006 deferral accounts by the end of June 2007. It is important to note that differences (if any) between amounts filed in this application and those in the 2006 deferral application will be trued up in a future rider application.

9. Since the estimated amounts are not expected to change in the upcoming deferral application, ATCO Electric is of the view that including the collection of this amount will minimize the overall rate impact to customers with the proposed removal of the 2007 Rider on January 1, 2008.
10. In previous Rider Applications, ATCO Electric sought approval for both Rider G and Rider Q. However, ATCO Electric proposed to defer the application of Rider Q until the results of the Benchmarking process is completed. Even though a residual amount of \$0.136 M (CCA/PICA-ATCO-2) remains to be refunded from the 2006 Rider Q, ATCO Electric believes that it would be appropriate to defer the refund of this amount at this time and combine it later with the results from the benchmarking process, since the refund amount is small.
11. As noted in response to CCA/PICA-ATCO-4, over the last several Rider Applications ATCO Electric has applied to set the recovery period for Rider G (and Rider Q) over a five month period, specifically from August – December. It is ATCO Electric's experience that, given the magnitude of the refund/collection amounts, dispensing Rider G during this period is fair and reasonable for all customer classes and has helped minimize the rate impacts to customers by collecting this amount before new rates are implemented in January of the following year. This holds true for the 2007 Rider G as well. Since the implementation and recovery period for Rider G is best handle consistently across all rate class it would not be practical at this time to have different recovery periods for the various rate classes. In ATCO Electric's 2008 DTA, the proposed 2008 rates result in an average overall increase of approximately 6%. By allowing ATCO Electric to dispense the 2007 Rider G before the end of the year will provide an overall smoother transition to 2008 rates.
12. ATCO Electric submits that the amounts requested to be collected/refunded via the current Rider G Application have been fully explained and that the Application should be approved, as filed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 8th day of June 2007.



Bennett Jones LLP
Counsel for ATCO Electric Ltd.