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Our File No.: 8794-2132

June 25, 2008

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

Att: Mr. Chris Burt
Application Officer

Dear Sir:

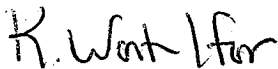
**Re: ATCO Electric Ltd.
2008 Rider G Application – No. 1571803
Final Argument**

Please find attached hereto ATCO Electric Ltd.'s Final Argument in the above-noted proceeding.

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

Yours truly,

BENNETT JONES LLP



Loyola G. Keough
Counsel for ATCO Electric Ltd.

ALBERTA UTILITIES COMMISSION

ATCO ELECTRIC LTD.

2008 RIDER G APPLICATION

APPLICATION NO. 1571803

PROCEEDING ID. 50

FINAL ARGUMENT

1. By letter dated May 9, 2008, ATCO Electric Ltd. ("ATCO Electric") filed with the Alberta Utilities Commission ("AUC") an Application seeking approval of the 2008 Rider G Application. This Rider G replaces the previous 2007 Rider G that was in place from August 1, 2007 to December 31, 2007.
2. Given the long standing methodology used by ATCO Electric in the design and application of this Rider, ATCO Electric proposed that the new Rider remain in place for the period August 1, 2008 to December 31, 2008. Rider G is applicable to all distribution tariff customers in ATCO Electric's service area.
3. Consistent with previous Rider Applications, ATCO Electric provided a breakdown of the various components that comprised Rider G 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, as well as rate impact sheets. All customer classes with the exception of Industrial and REA rate classes will receive a Rider G refund.
4. ATCO Electric submits that the 2008 Rider Application is relatively straightforward in nature and that the detailed information provided as part of the Application is largely self explanatory. In ATCO Electric's view, this 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 detail contained in the Application as part of this Argument, but rather would direct the AUC and parties to the approvals requested with respect to Rider G on page 11 of the Application.

5. The AUC 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 AUC and PICA appear to largely seek additional clarification regarding certain specific items contained in this 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. Although there are in total eight components to be refunded/collected, four components are a refund or collection of lower than \$0.300 M and one component is a refund of less than \$1 M. There are three large components which consists of a refund of \$4.550 M (component B), a collection of \$10.546 M (component D), and a refund of \$6.7 M (component H).
7. The dispensation of Components B and D are consistent with the approach used in previous Rider Applications. ATCO Electric has not introduced anything new with the manner in which the 2007 deferral account balance of \$10.546 M is to be collected. As noted in response to PICA-AE-6, ATCO Electric has allocated the deferral account estimate associated with Transmission Access Payments (TAP), based on its approved 2007 energy forecasts by rate class. ATCO Electric has used this method since the TAP deferral amounts are primarily related to the variable component of the AESO tariff (differences in pool price and AESO's Rider C). ATCO Electric will apply for approval of the 2007 deferral accounts by the end of June 2008. Any differences between amounts filed in this application and those in the 2007 deferral application will be trued up in a future rider application. Again, this is consistent with the true-up mechanism used in previous rider applications.

8. Component H is a refund of \$6.7 M, which is a new component in this Rider Application. As noted on Page 9 of the Application, this component relates to the new flow-through method to compute income taxes for federal and provincial income taxes effective for 2007. The purpose of this component is outlined in response to ATCO Electric's 2007-2008 GTA Decision 2007-071, whereby the AUC directed ATCO Electric to submit its proposal to refund to customers the future income taxes that ATCO Electric has currently collected from customers. ATCO Electric submits that the approach to allocate the refund based on net rate base assigned/allocated to each rate class is appropriate given that the same method is used in allocating Income Tax in ATCO Electric's Phase II applications. This is outlined on Page 9 of the Rider G Application.

9. PICA appears to suggest (refer to PICA-AE-1 & 2) that ATCO Electric should provide assurance to the AUC and customers that reported amounts filed in the Application are correct. ATCO Electric believes this is not required. In every Application, ATCO Electric conducts internal assessments and review to ensure that all information is accurate and correct. As outlined in PICA-AE-1(b), ATCO Electric has internal controls in place, which have been established to meet ATCO Electric's internal and external responsibility for reliable and accurate reporting. These controls are reviewed on a quarterly basis by ATCO Electric's Internal Audit group to test processes and ensure amounts related to deferral account balances and their application are accurate.

Furthermore, as outlined in PICA-AE-2, ATCO Electric believes that the current rigorous and long standing process that is undertaken by the AUC in testing the accuracy of Rider Applications should be sufficient. Processes are consistent, components and forecasts are based on the same methodology as in previous Rider Applications, which have been tested and approved by the AUC. ATCO Electric is concerned that further auditing by a third party is inefficient and not cost effective.

Finally, ATCO Electric wishes to stress its response to PICA-AE-2. The AUC in its Decision on FortisAlberta Inc. (FAI) Pool Price Deferral Account and Outstanding Matters Deferral Account (Decision 2008-044), the Commission granted relief to FAI on the requirement to have an audit of its PPDA. ATCO Electric supports this Decision and as a result, ATCO Electric believes an audit is not required.

10. 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.