



Submitted Via Email DDS

December 1, 2009

Alberta Utilities Commission  
#400, 425-1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 3L8

Attention: Cameron Taylor  
Application Officer

Dear Sir:

**RE: ATCO Electric Ltd.  
2010 Interim Tariff Application  
Application No. 1605601, Proceeding ID. 370**

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Attached please find ATCO Electric's information response to the Alberta Utilities Commission (AUC) regarding the above noted proceeding.

Should you have any questions, please contact me at (780) 420-7492.

Sincerely,

***Original Signed by James Grattan***

James Grattan, C.A.  
Manager, Electric Pricing

SP/by  
Att.

**ATCO ELECTRIC**  
**2010 Interim Tariff Application, Application No. 1605601**  
**Proceeding ID 370**

**Information Response No. 1 To:**  
**Alberta Utilities Commission (AUC)**  
**Received: November 27, 2009**

**AUC-AE-1**

**Reference:** AE 2010 Interim Application

**Issue/Sub-Issue:** SIP with Accompanying Questions and Comments Filed by the CCA

**Quote:** "... AE should be directed to file a summary of such "other matters outstanding" impact (sic) rate changes in 2010, including the estimated timing of rate changes..."

**Preamble:** The Commission feels that the comment by the CCA did not receive an adequate response in AE's letter of November 23, 2009.

**Request:**

Beyond what is discussed in Section 2 of the Interim Tariff Application, please clarify the nature of the "matters outstanding" that may affect the final charges to customers.

**Response:**

As ATCO Electric contemplates further rate adjustments in 2010, there are currently two mechanisms available that could be used to help incorporate the outcome of upcoming key decisions into final charges for customers in 2010. They are: (1) the 2010 final tariff application and (2) the 2010 Rider G application.

At this point, ATCO Electric anticipates that it will incorporate the approval of the 2010 revenue requirement as set out in the Phase I GTA compliance filing decision and the 2010 Phase II NSA decision into the design of 2010 final rates. Similarly, consistent with the direction other Alberta distribution wire owners are taking to reflect the timely recovery of cost increases from the AESO regarding transmission access costs, ATCO Electric is intending to reflect the outcome from the AESO 2009 Rates Update



Decision 2009-141 into the final rate application design as well. ATCO Electric anticipates filing its 2010 Final Tariff Application within 30 days of the Commission's approval of the Phase I Compliance Filing decision.

In regards to other outstanding matters that are expected to be dealt with in 2010, depending on the timing of the Decision relating to ATCO Utilities Pension Common Matters (Application No. 1605254), and the AUC Generic Cost of Capital Decision (2009-216), ATCO Electric is expecting to deal with these matters in the next Rider G application sometime within the 2<sup>nd</sup> quarter of 2010. ATCO Electric will be in a better position to address the impact of these Decisions in the context of the next Rider G application as there will be other offsetting adjustments that will form part of the 2010 Rider G. Such matters include, but not limited to, collection from customers to deal with true-up of distribution deferral balances, collection/refund of rider residual balances, refund of the remaining Future Tax Balance, true-up of the difference between revenue on 2009 rates and the 2009 final approved revenue requirement (from the Phase I GTA compliance filing), and final true-up amounts from the 2003 – 2007 IT and CC&B true-up estimates.

In regards to ATCO Electric's 2009-2010 GTA – Regulatory Treatment of Income Tax Refund Decision (2009-215), based on ATCO Electric's review it has been determined that this Decision will not impact 2010 rates.