



May 13, 2005

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

Attention: Mr. Chris Burt
Application Officer

Dear Sir:

**RE: ATCO Electric Ltd. Application – Request to Discontinue 2004 Rider G
Effective June 1, 2005**

ATCO Electric Ltd. hereby requests Board approval to discontinue its current 2004 Rider G effective June 1, 2005. A Board Decision is required by May 20, 2005 to implement these changes in the ATCO Electric's customer information system (CIS).

In a separate application dated May 13, 2005, ATCO Electric filed its 2005 Rider Application for approval of a new Rider G and Rider Q effective August 1, 2005. For the calculations of the new Rider G, ATCO Electric assumed that the current Rider G will be discontinued effective June 1, 2005. As a result, the estimate of the collection amount from customers for the new Rider G will be \$2.6 million. On the other hand, if the current Rider G is not discontinued until August 1, 2005, the collection amount will increase to \$12.8 million. Please note that these amounts do not include any additional collection amount required as a result of Board Decision 2005-045, dated May 6, 2005.

The attached Schedule 1 shows a bill comparison for residential, farm, commercial and oilfield customers under the two scenarios. Similarly, Schedules 2 and 3 show the collection amounts and Rider G rates by rate class for the two scenarios. As can be seen from the attached Schedules, the variability of the customer bill is reduced by discontinuing the current Rider G effective June 1, 2005, and implementing the new Rider G effective August 1, 2005.



ATCO Electric requests the Board for an expedited decision on the discontinuation of the 2004 Rider G. Should you have any questions, please contact myself at (780) 420-5501.

Sincerely,

Original Signed by Satar Parhar

Satar Parhar, P. Eng.
Manager, Electric Pricing

Attachments

SP/jm

**ATCO Electric
Comparison Schedules**

Schedule 1

		Scenario 1			Scenario 2		
		DT Rates: RRO Rider: Rider G:	Current None 2004	Current None 2004	2004 Final New 2005 (Alt 1)	Current None 2004	2004 Final New 2005 (Alt 2)
			Current Rider G ending May 31			Current Rider G ending July 31	
Row	Rate Component	31-May	01-Jun	01-Aug	31-May	01-Aug	
1	Forecast Energy Rates	\$38.03	\$38.03	\$32.14	\$38.03	\$32.14	
2	+RRO Deferral (5 month recovery - August 2005 - December 2005)	\$0.00	\$0.00	-\$0.31	\$0.00	-\$0.31	
3	2005 Energy Related Charge	\$38.03	\$38.03	\$31.84	\$38.03	\$31.84	
	Row 1 + Row 2						
4	DT Base Rates	\$48.78	\$48.78	\$45.87	\$48.78	\$45.87	
5	Rider G	-\$10.14	\$0.00	\$5.31	-\$10.14	\$9.05	
6	Net DT Charges	\$38.64	\$48.78	\$51.18	\$38.64	\$54.92	
	Row 4+ Row 5						
7	Predicted Combined Rate	\$76.67	\$86.81	\$83.02	\$76.67	\$86.76	
	Row 3 + Row 6						

Farm 1255 kWh/7.5 kVA customer

Row	Rate Component	31-May	01-Jun	01-Aug	31-May	01-Aug
1	Forecast Energy Rates	\$75.77	\$75.77	\$63.55	\$75.77	\$63.55
2	+RRO Deferral (5 month recovery - August 2005 - December 2005)	\$0.00	\$0.00	\$4.79	\$0.00	\$4.79
3	2005 Energy Related Charge	\$75.77	\$75.77	\$68.34	\$75.77	\$68.34
	Row 1 + Row 2					
4	DT Base Rates	\$53.82	\$53.82	\$54.94	\$53.82	\$54.94
5	Rider G	-\$10.57	\$0.00	\$2.66	-\$10.57	\$5.72
6	Net DT Charges	\$43.25	\$53.82	\$57.60	\$43.25	\$60.66
	Row 4+ Row 5					
7	Predicted Combined Rate	\$119.02	\$129.59	\$125.93	\$119.02	\$129.00
	Row 3 + Row 6					

Oilfield 8760 kWh/ 20 kW customer (RRO Eligible)

Row	Rate Component	31-May	01-Jun	01-Aug	31-May	01-Aug
1	Forecast Energy Rates	\$517.47	\$517.47	\$433.62	\$517.47	\$433.62
2	+RRO Deferral (5 month recovery - August 2005 - December 2005)	\$0.00	\$0.00	-\$214.27	\$0.00	-\$214.27
3	2005 Energy Related Charge	\$517.47	\$517.47	\$219.35	\$517.47	\$219.35
	Row 1 + Row 2					
4	DT Base Rates	\$260.46	\$260.46	\$280.05	\$260.46	\$280.05
5	Rider G	-\$83.31	\$0.00	\$14.72	-\$83.31	\$45.46
6	Net DT Charges	\$177.16	\$260.46	\$294.76	\$177.16	\$325.51
	Row 4+ Row 5					
7	Predicted Combined Rate	\$694.63	\$777.94	\$514.12	\$694.63	\$544.86
	Row 3 + Row 6					
	Non RRO Eligible	\$694.63	\$777.94	\$728.39	\$694.63	\$759.13

Commercial 7300 kW/ 20kW customer (RRO Eligible)

Row	Rate Component	31-May	01-Jun	01-Aug	31-May	01-Aug
1	Forecast Energy Rates	\$463.61	\$463.61	\$388.51	\$463.61	\$388.51
2	+RRO Deferral (5 month recovery - August 2005 - December 2005)	\$0.00	\$0.00	-\$3.94	\$0.00	-\$3.94
3	2005 Energy Related Charge	\$463.61	\$463.61	\$384.57	\$463.61	\$384.57
	Row 1 + Row 2					
4	DT Base Rates	\$295.60	\$295.60	\$218.30	\$295.60	\$218.30
5	Rider G	-\$95.78	\$0.00	\$41.32	-\$95.78	\$77.67
6	Net DT Charges	\$199.82	\$295.60	\$259.62	\$199.82	\$295.97
	Row 4+ Row 5					
7	Predicted Combined Rate	\$663.43	\$759.21	\$644.19	\$663.43	\$680.54
	Row 3 + Row 6					
	Non RRO Eligible	\$663.43	\$759.21	\$648.13	\$663.43	\$684.49

ATCO Electric
2005 Rider Application
Schedule 2: Rider G Summary (with current 2004 Rider G ending May 31, 2005)

	A	B	C	D	E=A+B+C+D
Cross Reference:	Schedule A.2	Schedule A.3	Schedule A.4	Schedule A.5	
	2004 Rider G Residual Rider Component (\$ 000's)	2003 Deferrals Rider Component (\$ 000's)	2004 Deferrals Rider Component (\$ 000's)	Estimated 2004 Rider G (ending May 31) 2005 Rider Component (\$ 000's)	Rider Total (\$ 000's)
<u>Rate Class</u>					
D11	-455	-3,136	-266	6,786	2,929
D21/D22	-570	-1,793	-198	3,995	1,435
D25/D26	0	-15	-1	-5	-21
D31/D32/D33	-2,000	-10,388	-1,835	14,914	691
T31/T33	-296	-3,740	-1,401	2,366	-3,072
D41	-490	-1,145	-135	2,067	296
D51/D52	-141	-366	-54	527	-35
D56	-292	-783	-99	1,414	240
D61	-66	-125	-7	315	118
D63	-12	-25	-1	49	10
	-4,323	-21,516	-3,998	32,429	2,592

	F	G	H	I	J=F+G+H+I
	2004 Rider G Residual Rider Component (¢/kW.h)	2003 Deferrals Rider Component (¢/kW.h)	2004 Deferrals Rider Component (¢/kW.h)	Estimated 2004 Rider G (ending May 31) 2005 Rider Component (¢/kW.h)	Rider Component (¢/kW.h)
<u>Rate Class</u>					
D11	-0.138	-0.948	-0.080	2.051	0.885
D21/D22	-0.225	-0.707	-0.078	1.576	0.566
D25/D26	0.007	-1.077	-0.078	-0.336	-1.484
D31/D32/D33	-0.084	-0.436	-0.077	0.626	0.029
T31/T33	-0.046	-0.581	-0.218	0.368	-0.477
D41	-0.278	-0.648	-0.077	1.170	0.168
D51/D52	-0.208	-0.541	-0.080	0.778	-0.051
D56	-0.259	-0.693	-0.088	1.252	0.212
D61	-0.772	-1.455	-0.077	3.682	1.378
D63	-0.670	-1.406	-0.077	2.727	0.574

ATCO Electric
2005 Rider Application
Schedule 3: Rider G Summary (with current 2004 Rider G ending July 31, 2005)

	A	B	C	D	E=A+B+C+D
Cross Reference:	Schedule A.2	Schedule A.3	Schedule A.4		
	2004 Rider G Residual Rider Component (\$ 000's)	2003 Deferrals Rider Component (\$ 000's)	2004 Deferrals Rider Component (\$ 000's)	Estimated 2004 Rider G (ending July 31) 2005 Rider Component (\$ 000's)	Rider Total (\$ 000's)
<u>Rate Class</u>					
D11	-455	-3,136	-266	8,849	4,992
D21/D22	-570	-1,793	-198	5,259	2,698
D25/D26	0	-15	-1	-7	-23
D31/D32/D33	-2,000	-10,388	-1,835	19,936	5,713
T31/T33	-296	-3,740	-1,401	3,123	-2,315
D41	-490	-1,145	-135	2,686	916
D51/D52	-141	-366	-54	621	60
D56	-292	-783	-99	1,690	516
D61	-66	-125	-7	374	176
D63	-12	-25	-1	57	19
	-4,323	-21,516	-3,998	42,589	12,752

	F	G	H	I	J=F+G+H+I
	2004 Rider G Residual Rider Component (¢/kW.h)	2003 Deferrals Rider Component (¢/kW.h)	2004 Deferrals Rider Component (¢/kW.h)	Estimated 2004 Rider G (ending July 31) 2005 Rider Component (¢/kW.h)	Rider Component (¢/kW.h)
<u>Rate Class</u>					
D11	-0.138	-0.948	-0.080	2.675	1.509
D21/D22	-0.225	-0.707	-0.078	2.074	1.064
D25/D26	0.007	-1.077	-0.078	-0.468	-1.615
D31/D32/D33	-0.084	-0.436	-0.077	0.837	0.240
T31/T33	-0.046	-0.581	-0.218	0.485	-0.360
D41	-0.278	-0.648	-0.077	1.521	0.519
D51/D52	-0.208	-0.541	-0.080	0.918	0.088
D56	-0.259	-0.693	-0.088	1.496	0.456
D61	-0.772	-1.455	-0.077	4.364	2.060
D63	-0.670	-1.406	-0.077	3.207	1.055