



November 8, 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. 2006 Interim Tariff Application No. 1423181

Attached please find ATCO Electric's responses No. 2 to the Board.

Should you have any questions, please contact myself at (780) 420-5501 or Nick Palladino at (780) 420-7613.

Sincerely,

Original Signed by Satar Parhar

Satar Parhar, P. Eng.
Manager, Electric Pricing

SP/jm
Att.



**2005-2006 Interim Tariff Application
Application No. 1423181
Information Response No. 2 To:
The Alberta Energy and Utilities Board
Received: November 4, 2005**

BR-ATCO-5

Reference: Schedule BR-ATCO-01, Schedule 5

Request:

- (a) Please update Schedule 5 with the following enhancements:
- Provide descriptive names for each condition, (i.e. 2006 GTA, AESO Refiling),
 - Include descriptive names for each rate class, (i.e. D11 – Residential),
 - Provide further detail for condition ii, which separately shows the impact of both transmission and distribution components,
 - Include percentage increases as part of the impacts, and
 - Include the overall revenues associated with each impact including percentage increases.

Response:

- (a) Please refer to BR-ATCO-05, Schedule 1. Note that the Monthly Revenue Totals are base rates only and do not include any riders or adjustments.

ATCO Electric
2006 Interim Application
Monthly Comparison

Rate	Billing Determinants	Condition		Monthly Revenue Total	Change from Previous Condition	Percentage Change From Condition i	Total Yearly Rate Class Revenue (\$000)	Change from Previous Condition (\$000)	Percentage Change From Condition i	
D11 Residential	30.4 days 600 kW.h	i Current Approved Rates ii 2006 GTA	Total	\$45.86			\$68,575			
			Transmission	\$7.56	\$2.88	6.3%	\$11,265	\$4,320	6.3%	
			Distribution	\$44.00	\$2.82	6.1%	\$65,955	\$4,326	6.3%	
			Total	\$51.56	\$5.70	12.4%	\$77,221	\$8,646	12.6%	
		iii AESO Refiling	Total	\$53.73	\$2.17	17.2%	\$80,232	\$3,011	17.0%	
D21 Commercial	30.4 days 7300 kW.h 20 kW	i Current Approved Rates ii 2006 GTA	Total	\$288.53			\$27,275			
			Transmission	\$73.78	\$31.05	10.8%	\$7,325	\$2,892	10.6%	
			Distribution	\$263.12	\$17.31	6.0%	\$24,445	\$1,603	5.9%	
			Total	\$336.90	\$48.36	16.8%	\$31,770	\$4,495	16.5%	
		iii AESO Refiling	Total	\$339.70	\$2.81	17.7%	\$33,263	\$1,493	22.0%	
D25 Irrigation	30.4 days 1670 kW.h 40 kW	i Current Approved Rates ii 2006 GTA	Total	\$122.89			\$82			
			Transmission	\$32.77	\$11.13	9.1%	\$29	\$11	13.8%	
			Distribution	\$108.24	\$6.98	5.7%	\$69	\$5	5.5%	
			Total	\$141.01	\$18.11	14.7%	\$98	\$16	19.3%	
		iii AESO Refiling	Total	\$157.75	\$16.74	28.4%	\$106	\$8	28.7%	
D26 REA Irrigation	30.4 days 1670 kW.h 40 kW	i Current Approved Rates ii 2006 GTA	Total	\$55.73			\$0.227			
			Transmission	\$32.77	\$11.13	20.0%	\$0.034	\$0.013	5.8%	
			Distribution	\$36.37	\$2.28	4.1%	\$0.220	\$0.014	6.4%	
			Total	\$69.14	\$13.41	24.1%	\$0.254	\$0.028	12.1%	
		iii AESO Refiling	Total	\$86.49	\$17.35	55.2%	\$0.263	\$0.009	15.9%	
D31 Industrial	30.4 days 876,000 kW.h 2000 kW	i Current Approved Rates ii 2006 GTA	Total	\$11,747.75			\$84,687			
			Transmission	\$9,454.00	\$3,886.43	33.1%	\$60,782	\$25,265	29.8%	
			Distribution	\$6,613.73	\$433.54	3.7%	\$52,630	\$3,460	4.1%	
			Total	\$16,067.73	\$4,319.97	36.8%	\$113,412	\$28,724	33.9%	
		iii AESO Refiling	Total	\$17,144.56	\$1,076.83	45.9%	\$118,299	\$4,887	39.7%	
							* excludes power factor revenue			
D41 Oilfield	30.4 days 8760 kW.h 20 kW	i Current Approved Rates ii 2006 GTA	Total	\$279.91			\$19,140			
			Transmission	\$87.99	\$37.31	13.3%	\$4,396	\$1,779	9.3%	
			Distribution	\$245.32	\$16.08	5.7%	\$17,695	\$1,171	6.1%	
			Total	\$333.30	\$53.39	19.1%	\$22,091	\$2,951	15.4%	
		iii AESO Refiling	Total	\$336.06	\$2.75	20.1%	\$22,701	\$610	18.6%	
							* excludes power factor revenue			
D51 REA Pooled	30.4 days 1255 kW.h 7.5 kV.A	i Current Approved Rates ii 2006 GTA	Total	\$36.02			\$3,548			
			Transmission	\$15.88	\$6.16	17.1%	\$1,769	\$666	18.8%	
			Distribution	\$28.13	\$1.83	5.1%	\$2,616	\$172	4.8%	
			Total	\$44.01	\$7.99	22.2%	\$4,385	\$838	23.6%	
		iii AESO Refiling	Total	\$48.15	\$4.14	33.7%	\$4,960	\$575	39.8%	
D56 Farm	30.4 days 1255 kW.h 7.5 kV.A	i Current Approved Rates ii 2006 GTA	Total	\$54.91			\$12,652			
			Transmission	\$15.88	\$6.16	11.2%	\$3,691	\$1,409	11.1%	
			Distribution	\$48.31	\$3.12	5.7%	\$11,098	\$728	5.8%	
			Total	\$64.19	\$9.28	16.9%	\$14,789	\$2,137	16.9%	
		iii AESO Refiling	Total	\$68.24	\$4.05	24.3%	\$15,846	\$1,057	25.2%	
D61-A Street Lights	30.4 days - kW.h 250 W	i Current Approved Rates ii 2006 GTA	Total	\$7.84			\$3,513			
			Transmission	\$1.22	\$0.44	5.6%	\$263	\$102	2.9%	
			Distribution	\$7.59	\$0.53	6.7%	\$3,587	\$235	6.7%	
			Total	\$8.80	\$0.97	12.4%	\$3,849	\$337	9.6%	
		iii AESO Refiling	Total	\$9.16	\$0.35	16.9%	\$3,914	\$65	11.4%	
D63-A Private Lights	30.4 days - kW.h 250 W	i Current Approved Rates ii 2006 GTA	Total	\$11.04			\$682			
			Transmission	\$0.76	-\$0.01	-0.1%	\$51	\$19	2.9%	
			Distribution	\$10.98	\$0.71	6.5%	\$696	\$46	6.7%	
			Total	\$11.74	\$0.70	6.3%	\$747	\$65	9.6%	
		iii AESO Refiling	Total	\$12.55	\$0.81	13.7%	\$759	\$12	11.3%	
Totals							i	\$245,721		
							ii	\$109,185	\$36,665	14.9%
								\$185,032	\$11,831	4.8%
								\$294,217	\$48,495	19.7%
							iii	\$307,699	\$13,482	25.2%
								* includes power factor revenue		



**2005-2006 Interim Tariff Application
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BR-ATCO-6

Reference: Application, page 1-1 starting at line 10

The scaling factors proposed in ATCO Electric's 2005-2006 GTA application for the Final 2006 Distribution Tariff and updated in ATCO Electric's letter to the Board dated October 6, 2005, based on AESO's new tariff structure as outlined in AESO 2005-2006 GTA Application Refiling (Application No. 1420890).

Issue: Forecast TAP costs of \$123.2 million

Request:

- (a) Given the Board's clarification to the AESO dated October 21, 2006 with respect to Direction 6, and the AESO response to BR.AESO-007(a-b), does AE continue to hold the view that forecast TAP costs for 2006 will be \$123.2 million? Please explain and include an updated estimate of TAP costs.
- (b) Please provide AE's views on how the Board should deal with any further changes that may occur with the AESO tariff, as it relates to this Application.

Response:

- (a) Based on the Board's clarification to the AESO dated October 21 and the AESO's response to BR.AESO-007(a-b), the proposed TAP costs charged to ATCO Electric for 2006 has changed to an estimated \$126.8 million from \$123.2 million. It is also important to note that this estimate is based on the latest information supplied to ATCO Electric from the AESO with respect to the amount of DTS and STS Capacity at each POD.

- (b) For distribution connected customers, ATCO Electric has proposed that the Interim Tariff remain in place until the Board approval of a Final Tariff for 2006. Any adjustments as a result of a difference between the Interim Tariff and Final Tariff will be dispensed at a later date through Rider G. Further, ATCO Electric has proposed in its 2005-2006 General Tariff Application to carry a price deferral account for its Transmission Access Payment (TAP) cost relating to the AESO Tariff change (not relating to forecast volume change) and dispense the deferral account through a subsequent Rider G.