



October 12, 2006

Submitted via EUB Digital Data Submission System

Alberta Energy and Utilities Board
640 – 5th Avenue SW
Calgary, Alberta
T2P 3G4

Attention: Jamie Cameron, Application Officer

Dear Jamie:

Re: Corrections to AESO 2006 Rider F and Rate FDS

In Order U2005-464 dated December 20, 2005, the Alberta Energy and Utilities Board (EUB) approved the Alberta Electric System Operator (AESO) rates and terms and conditions of service to be effective January 1, 2006. The rates and terms and conditions were approved as refiled in response to directions in Decision 2005-096 dated August 28, 2005 and Decisions 2005-131 and 2005-132 dated December 6, 2005.

Since implementing its 2006 rates, and through discussions with customers about its tariff, the AESO has determined that three aspects of its 2006 rates require correction. Two of the corrections relate to the Balancing Pool Consumer Allocation Rider F, while the third relates to the Fort Nelson Demand Transmission Service Rate FDS. The AESO requests that the EUB approve these three corrections retroactive to January 1, 2006, based on the information provided below.

1. Applicability of Balancing Pool Consumer Allocation Rider F to Demand Opportunity Service (DOS) Customers

During the course of its 2005-2006 General Tariff Application Refiling, the AESO advised the EUB on November 24, 2005 that the Balancing Pool had notified it of an estimated annualized amount to be reflected in the AESO's rates under sections 30 and 82 of the Electric Utilities Act (EUA). The AESO suggested the amount could be refunded to customers through a rider included in its 2006 tariff refiling, and in Decision 2005-131 the EUB directed the AESO to make the necessary adjustment in its 2006 tariff. The AESO accordingly included the Balancing Pool Consumer Allocation Rider F in the second refiling of its 2006 tariff dated December 9, 2006, and the EUB approved it as filed in Order U2005-464.

As currently approved and implemented, Rider F provides a credit of \$1.00/MWh of metered energy for Demand Transmission Service Rate DTS and Fort Nelson Demand Transmission Service Rate FDS customers of the AESO. Rider F does not apply to customers receiving transmission service under any other rates. This applicability has been questioned by Demand Opportunity Service (DOS) customers of the AESO, prompting the AESO to review the reasons for its original applicability requirements. As a result of this review, the AESO has concluded that Rider F should also apply to DOS customers.

Section 82(6)(b) of the EUA provides for “the allocation of the [Balancing Pool] annualized amount to the owners of electric distribution systems, industrial systems and persons that have made arrangements under section 101(2).” Section 82 provides no distinction between customers receiving non-recallable transmission service (such as DTS) and those receiving opportunity service (such as DOS). Section 82(6)(b) simply refers to the majority of the AESO’s load customers, and therefore provides no reason for opportunity service customers to be ineligible for Rider F.

At the time of its filing of Rider F in December 2005, the AESO also incorrectly understood that opportunity service customers did not receive electricity rebates arising from the auction of Power Purchase Arrangements (PPAs) in 2000. As the Rider F rebate arises from a similar sale of a PPA by the Balancing Pool in late 2005, the AESO considers that customer eligibility for Rider F should be consistent with customer eligibility for the earlier rebates. A detailed review of the rebates that occurred in 2001 indicates that the rebates were in fact provided to opportunity service customers. The AESO is of the view that the earlier rebates present a precedent for applying Rider F to DOS customers.

For these reasons, the AESO submits the original ineligibility of DOS customers for Rider F to be incorrect, and requests the EUB approve corrected Rider F and DOS Rate Schedules which reflect DOS eligibility for Rider F as attached. For clarity, the AESO notes that, although Rider F is currently a credit to customers, in the event Rider F becomes a charge to customers in a future period it will equally apply to DOS customers for the reasons provided above. Also, as noted above and further detailed below, the AESO requests this correction apply retroactively to January 1, 2006, which will result in prior period bill adjustments for DOS customers in addition to making them eligible for Rider F going forward.

2. Applicability of Balancing Pool Consumer Allocation Rider F to Medicine Hat and BC Hydro Fort Nelson Customers

During the course of the review of Rider F applicability to DOS customers discussed above, the AESO also determined that other applicability provisions of Rider F should be corrected. Specifically, Rider F should not apply to City of Medicine Hat and BC Hydro Fort Nelson customers. This conclusion resulted from reasons similar to those provided for DOS eligibility above.

As already noted, section 82(6)(b) of the EUA provides for “the allocation of the [Balancing Pool] annualized amount to the owners of electric distribution systems, industrial systems and persons that have made arrangements under section 101(2).” “Persons that have made

arrangements under section 101(2)” refers to customers who receive electricity directly from the transmission system and who enter into an arrangement directly with the AESO for the provision of system access service after receiving prior approvals of the owner of the electric distribution system in whose service area the property is located and of the AESO.

With respect to the City of Medicine Hat, section 100 of the EUA specifically exempts the City from all requirements of Part 7 of the EUA relating to distribution (except where the City provides services outside its service area). The AESO therefore concludes the City of Medicine Hat should not be considered a distribution system owner for the purposes of section 82(6) of the EUA. The City is also neither an industrial system nor a person who has made arrangements under section 101(2). The AESO concludes that Rider F should not apply to the City of Medicine Hat.

With respect to the BC Hydro Fort Nelson service, the AESO reaches a similar conclusion. BC Hydro is not an owner of an electric distribution system under the EUA since such a distribution system exists only in a service area determined under the Hydro and Electric Energy Act, which does not apply in British Columbia. The AESO acknowledges that the EUB directed it to provide transmission service to BC Hydro Fort Nelson based on the AESO’s DTS rate in Decision 2005-096, but notes that the EUB also commented (page 32):

The Board rejects BCH’s argument that it should continue to receive service under the DTS rate. The Board cannot ignore the obvious – Fort Nelson is not located in Alberta. As such, the Board does not consider that the AESO is obliged to offer the postage stamp service that it is obligated to provide to Alberta customers.

BC Hydro Fort Nelson is also neither an industrial system nor a person who has made arrangements under section 101(2). The AESO concludes that Rider F should not apply to BC Hydro Fort Nelson.

The AESO understands that BC Hydro disputes this conclusion and the AESO’s characterization of Fort Nelson, but does not intend to oppose this application.

As in its assessment of Rider F applicability to DOS customers, the AESO also reviewed whether the City of Medicine Hat or BC Hydro Fort Nelson received electricity rebates from the PPA auctions in 2000. Neither customer received the earlier rebates, which provides further support for not applying the current Rider F to those customers.

For these reasons, the AESO submits the original eligibility of Medicine Hat and BC Hydro Fort Nelson for Rider F to be incorrect, and requests the EUB approve corrected Rider F and DTS, DOS, and FDS Rate Schedules which reflect the Medicine Hat and BC Hydro Fort Nelson ineligibility for Rider F as attached. For clarity, the AESO notes that, although Rider F is currently a credit to customers, in the event Rider F becomes a charge to customers in a future period it will equally not apply to Medicine Hat and BC Hydro Fort Nelson customers for the reasons provided above. Also, as noted above and further detailed below, the AESO requests this correction apply retroactively to January 1, 2006, which will result in prior period bill

adjustments for Medicine Hat and BC Hydro Fort Nelson in addition to making them ineligible for Rider F going forward.

3. Fort Nelson Demand Transmission Service Rate Calculation

During the course of the review of Rider F applicability to BC Hydro Fort Nelson, the AESO determined it had incorrectly calculated Rate FDS in the first and second refilings of its 2006 tariff on September 27 and December 9, 2005, respectively. Specifically, the FDS Local System Charge is overstated due to the use of an incorrect billing determinant in the denominator for the calculation of the wires component of the demand charge.

To determine the FDS Local System Charge under the methodology directed in Decision 2005-096, the local system cost attributed to Fort Nelson is divided by the demand billing determinant forecast for Fort Nelson for 2006. However, the billing determinant used in the calculation filed by the AESO was the forecast *actual metered demand* for 2006 rather than the forecast *billing capacity* for 2006, where billing capacity represents the highest of actual metered demand in the billing period, 90% of highest metered demand in the previous 24 months, or 90% of contract capacity. This error understated the billing determinant and resulted in a higher-than-appropriate charge.

The AESO has recalculated the wires demand component of the FDS Local System Charge on the correct forecast billing capacity as follows:

As filed and approved:	$\$396,527.00 \div 230.0 \text{ MW-months} = \$1,724.00/\text{MW}$
As corrected:	$\$396,527.00 \div 284.4 \text{ MW-months} = \$1,394.00/\text{MW}$

Non-wires costs of \$16.00/MW are then added to the corrected wires demand component for a total FDS Local System demand charge of \$1,410.00/MW. The AESO requests the EUB approve a corrected FDS Rate Schedule as attached.

Although Rate FDS is subject to Deferral Account Adjustment Rider C, the AESO notes that Rider C deals with aggregate difference in revenues and costs by rate component. It would not adjust for an incorrect rate applicable to a single customer like BC Hydro Fort Nelson.

4. Implementation and Impact of Corrections

As these three corrections reflect incorrect assumptions and errors in the original rates and riders approved to be effective January 1, 2006, the AESO considers the corrections should also be effective January 1, 2006. The AESO accordingly requests the EUB approve the attached corrected rate and rider schedules to be retroactive to January 1, 2006. After receiving EUB approval, the AESO will adjust the tariff programming code of its billing system to reflect these corrections, which may take up to three months to complete given current information technology priorities at the AESO. Prior-period bills will then be re-issued to the directly-affected customers in the normal course of billing procedures provided in Article 15.3 of its terms and conditions of service.

The AESO has advised the directly-affected customers of these corrections, and understands that those customers either support the corrections or will not oppose them. The AESO has also advised the Balancing Pool of the Rider F corrections, although the Balancing Pool takes no position with respect to the specific treatment of the Balancing Pool annualized amount in the AESO tariff under sections 82(5) and (6) of the EUA.

The impact of these corrections on directly-affected customers is considered material, and is summarized on a 2006 forecast basis as follows:

Correction	AESO Revenue Increase (Decrease)
Rider F Applicability to DOS Customers	(\$658,000)
Rider F Applicability to Medicine Hat and BC Hydro Fort Nelson	78,700
FDS Rate Calculation	<u>(93,900)</u>
Total Revenue Impact	(\$673,200)

The AESO understands the corrections to Rider F applicability will not immediately affect the amount of the Balancing Pool Consumer Allocation to other customers. Presumably there will be an eventual impact on the Balancing Pool total allocation to other customers, but this impact will be small as the Rider F amounts provided above represent only about 1% of the Balancing Pool annualized amount.

The correction to Rate FDS will have no impact on other customers, as the corrected rate will result in the forecast amount of revenue being collected from BC Hydro Fort Nelson, rather than an overstated amount as would otherwise occur.

As the directly-affected customers do not oppose these corrections and as the impact on other customers is small, the AESO requests that the EUB deal with this application in an expedited process.

For the EUB's information, the AESO has also received a request from the Balancing Pool with respect to its 2007 annualized amount, which will increase the Balancing Pool Consumer Allocation Rider F credit to \$3.00/MWh. The AESO plans to apply to the EUB in the near future for approval of the Rider F credit increase to be effective January 1, 2007.

If you have any questions on this application or need additional information, please contact me at (403) 539-2751 or by e-mail to heidi.kirrmaier@aeso.ca, or John Martin at (403) 539-2465 or by e-mail to john.martin@aeso.ca.

Sincerely,

[original signed by]

Heidi Kirrmaier
Vice President, Regulatory

cc: John Martin, Manager, Regulatory, AESO



DTS Demand Transmission Service

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Applicable to: Demand Customers

Rate: Charges for DTS in any one Billing Period shall be the sum of the Interconnection Charge, the Operating Reserve Charge, the Voltage Control Charge, and the Other System Support Services Charge, where:

The **Interconnection Charge** equals:

(1) a **Bulk System Charge** of

- **\$1,233.00/MW/month** of Coincident Metered Demand in the Billing Period, plus
- **\$1.41/MWh** of Metered Energy during the Billing Period;

Plus

(2) a **Local System Charge** of

- **\$553.00/MW/month** of Billing Capacity in the Billing Period, plus
- **\$0.26/MWh** of Metered Energy during the Billing Period;

Plus

(3) a **Point of Delivery Charge** of

(a) **\$707.00/MW/month** of Billing Capacity in the Billing Period, plus

(b) **\$0.08/MWh** of Metered Energy during the Billing Period, plus

(c) (i) for a Point of Delivery at a substation at which multiple end-use services (consisting of any combination totaling more than one of DTS, STS, or distribution-connected services) are interconnected:

- **\$21,899.00/month** multiplied by the Substation Fraction in the Billing Period, or

(ii) for a Point of Delivery at a substation at which one single end-use service (one single transmission-connected service served either directly by the AESO or by a Distributor that flows through the AESO's tariff to the end-user) is interconnected:

- if Billing Capacity in the Billing Period is less than or equal to 5 MW, an additional charge of **\$4,380.00/MW/month** of Billing Capacity in the Billing Period, or
- if Billing Capacity in the Billing Period is greater than 5 MW, a charge of **\$21,899.00/month** in the Billing Period.



DTS

Demand Transmission Service

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Coincident Metered Demand is the Metered Demand at the Point of Delivery averaged over the fifteen (15) minute interval in which the sum of the Metered Demands for all DTS Customers is greatest in each Billing Period.

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Billing Capacity shall be the highest of:

- (i) the highest fifteen (15) minute Metered Demand in the Billing Period;
- (ii) the Ratchet Level; or
- (iii) 90% of the Contract Capacity,

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where "Ratchet Level" is defined as 90% of the highest Metered Demand in the previous 24 months.

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Substation Fraction is the ratio of the Contract Capacity for the Point of Delivery to the sum of all Contract Capacities (both DTS and STS) at the substation at which the Point of Delivery is interconnected.

The **Operating Reserve Charge** equals:

- Metered Energy in each hour \times **3.87%** \times **Pool Price**.

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The **Voltage Control Charge** equals:

- **\$0.98/MWh** of Metered Energy during the Billing Period.

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The **Other System Support Services Charge** equals:

- **\$76.00/MW/month** of highest Metered Demand in the Billing Period, plus a charge (where Power Factor is less than 90%) of **\$400/MVA** applied to the difference between the highest metered Apparent Power and 111% of the highest Metered Demand during the same Billing Period.

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Terms:

(a) References to Metered Energy in this Rate Schedule shall mean the amount of Metered Energy attributable to service under this Rate Schedule, which shall be determined in accordance with Article 10.4 of the Terms and Conditions.

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(b) The DTS rate is separately applicable at each POD.

(c) The Terms and Conditions form part of this Rate Schedule.

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(d) When invoked by the AESO, Rate Riders B and C apply to customers under this Rate Schedule. When invoked by the AESO, Rate Rider F applies to customers under this Rate Schedule with the exception of the City of Medicine Hat.



FDS Fort Nelson Demand Transmission Service Page 1 of 2

Applicable to: BC Hydro for demand service to Fort Nelson, British Columbia

5 Rate: Charges for FDS in any one Billing Period shall be the sum of the Interconnection Charge, the Operating Reserve Charge, the Voltage Control Charge, and the Other System Support Services Charge, where:

10 The **Interconnection Charge** equals:

- (1) a **Bulk System Charge** of
- **\$1,233.00/MW/month** of Coincident Metered Demand in the Billing Period, plus
 - **\$1.41/MWh** of Metered Energy during the Billing Period;

15 Plus

- (2) a **Local System Charge** of
- **\$1,410.00/MW/month** of Billing Capacity in the Billing Period, plus
 - **\$0.81/MWh** of Metered Energy during the Billing Period.

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25 Coincident Metered Demand is the Metered Demand at the Point of Delivery averaged over the fifteen (15) minute interval in which the sum of the Metered Demands for all DTS Customers is greatest in each Billing Period.

Billing Capacity shall be the highest of:

- (i) the highest fifteen (15) minute Metered Demand in the Billing Period;
- (ii) the Ratchet Level; or
- (iii) 90% of the Contract Capacity,

30 where "Ratchet Level" is defined as 90% of the highest Metered Demand in the previous 24 months.

35 The **Operating Reserve Charge** equals:

- Metered Energy in each hour \times **3.87%** \times **Pool Price**.

40 The **Voltage Control Charge** equals:

- **\$0.98/MWh** of Metered Energy during the Billing Period.



FDS

Fort Nelson Demand Transmission Service

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The **Other System Support Services Charge** equals:

- **\$76.00/MW/month** of highest Metered Demand in the Billing Period, plus a charge (where Power Factor is less than 90%) of **\$400/MVA** applied to the difference between the highest metered Apparent Power and 111% of the highest Metered Demand during the same Billing Period.

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10 Terms:

(a) References to Metered Energy in this Rate Schedule shall mean the amount of Metered Energy attributable to service under this Rate Schedule, which shall be determined in accordance with Article 10.4 of the Terms and Conditions.

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(b) The FDS rate is separately applicable at each POD.

(c) The Terms and Conditions form part of this Rate Schedule.

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(d) When invoked by the AESO, Rate Riders B and C apply to customers under this Rate Schedule.



DOS 7 Minutes Demand Opportunity Service (7 Minutes)

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Applicable to: Qualified Opportunity Service Customers who are recallable within seven (7) minutes.

Available: For quantities of Metered Energy taken within the Opportunity Capacity for the relevant System Access Service Agreement for Demand Opportunity Service, and when sufficient transmission capacity exists to accommodate such quantity. This service will be available a minimum of one (1) hour for Customers deemed eligible in the pre-qualification process, following the execution of a System Access Service Agreement.

Rate: The charges for service per Billing Period shall be as follows:

(1) The greater of (a) and (b) below:

- (a) (i) **\$3.00/MWh** of Metered Energy during the Billing Period; plus
- (ii) Incremental Losses Charge, calculated as the sum over each transaction hour of the Billing Period of the following:
 - Metered Energy in hour \times location specific loss factor \times Pool Price for the hour, where the location specific loss factor is an incremental factor determined by the AESO for each Point of Delivery.

(b) A minimum charge equal to:

- Opportunity Capacity under this Rate Schedule \times number of hours in total transactions in the Billing Period \times 75% \times **\$3.00/MWh.**

Plus

(2) Transaction Fee: **\$500** per Billing Period.

Terms: (a) The rate is separately applicable at each POD.

(b) A Customer's pre-qualified eligibility for Demand Opportunity Service will be available for a maximum of one (1) year. The term for a System Access Service Agreement for Demand Opportunity Service will be:

- (i) no less than a continuous eight hours from 0:00 hr midnight to 24:00 hr, or such other minimum term as the AESO may, at its discretion set; and
- (ii) no greater than one (1) calendar month.



DOS 7 Minutes Demand Opportunity Service (7 Minutes)

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(c) To the extent practicable, service for Opportunity Service Customers taking service under this Rate Schedule shall be recallable in advance of service for Non-Recallable Customers in an Emergency.

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(d) In the event that a Customer's service is recalled, the Customer shall be required to curtail load by the amount directed by the System Controller, which can be an amount up to the Opportunity Capacity, subject to no requirement on the Customer to curtail to below the DTS Contract Capacity. Curtailment of such amount shall be achieved within seven (7) minutes of receiving a directive from the System Controller.

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(e) References to Metered Energy in this Rate Schedule shall mean the amount of Metered Energy attributable to service under this Rate Schedule, which shall be determined in accordance with Article 10.4 of the Terms and Conditions.

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(f) When invoked by the AESO, Rate Rider E applies to customers under this Rate Schedule. When invoked by the AESO, Rate Rider F applies to customers under this Rate Schedule with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson.

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(g) The Terms and Conditions form part of this Rate Schedule.



DOS 1 Hour Demand Opportunity Service (1 Hour) Page 1 of 2

Applicable to: Qualified Opportunity Service Customers who are recallable within one (1) hour.

Available: For quantities of Metered Energy taken within the Opportunity Capacity for the relevant System Access Service Agreement for Demand Opportunity Service, and when sufficient transmission capacity exists to accommodate such quantity. This service will be available a minimum of one (1) hour for Customers deemed eligible in the pre-qualification process, following the execution of a System Access Service Agreement.

Rate: The charges for service per Billing Period shall be as follows:

(1) The greater of (a) and (b) below:

- (a) (i) **\$5.00/MWh** of Metered Energy during the Billing Period; plus
- (ii) Incremental Losses Charge, calculated as the sum over each transaction hour of the Billing Period of the following:

- Metered Energy in hour \times location specific loss factor \times Pool Price for the hour, where the location specific loss factor is an incremental factor determined by the AESO for each Point of Delivery.

(b) A minimum charge equal to:

- Opportunity Capacity under this Rate Schedule \times number of hours in total transactions in the Billing Period \times 75% \times **\$5.00/MWh.**

Plus

(2) Transaction Fee: **\$500** per Billing Period.

Terms: (a) The rate is separately applicable at each POD.

(b) A Customer's pre-qualified eligibility for Demand Opportunity Service will be available for a maximum of one (1) year. The term for a System Access Service Agreement for Demand Opportunity Service will be:

- (i) no less than a continuous eight hours from 0:00 hr midnight to 24:00 hr, or such other minimum term as the AESO may, at its discretion set; and
- (ii) no greater than one (1) calendar month.



DOS 1 Hour

Demand Opportunity Service (1 Hour)

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(c) To the extent practicable, service for Opportunity Service Customers taking service under this Rate Schedule shall be recallable in advance of service for Non-Recallable Customers in an Emergency.

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(d) In the event that a Customer's service is recalled, the Customer shall be required to curtail load by the amount directed by the System Controller, which can be an amount up to the Opportunity Capacity, subject to no requirement on the Customer to curtail to below the DTS Contract Capacity. Curtailment of such amount shall be achieved within one (1) hour of receiving a directive from the System Controller.

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(f) References to Metered Energy in this Rate Schedule shall mean the amount of Metered Energy attributable to service under this Rate Schedule, which shall be determined in accordance with Article 10.4 of the Terms and Conditions.

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(f) When invoked by the AESO, Rate Rider E applies to customers under this Rate Schedule. When invoked by the AESO, Rate Rider F applies to customers under this Rate Schedule with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson.

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(h) The Terms and Conditions form part of this Rate Schedule.



DOS Term **Demand Opportunity Service (Term)** Page 1 of 2

Applicable to: Qualified Opportunity Service Customers who are recallable within one (1) hour.

Available: For quantities of Metered Energy taken within the Opportunity Capacity for the relevant System Access Service Agreement for Demand Opportunity Service, and when sufficient transmission capacity exists to accommodate such quantity. This service will be available a minimum of one (1) hour for Customers deemed eligible in the pre-qualification process, following the execution of a System Access Service Agreement.

Rate: The charges for service per Billing Period shall be as follows:

(1) The greater of (a) and (b) below:

- (a) (i) **\$20.00/MWh** of Metered Energy during the Billing Period; plus
- (ii) Incremental Losses Charge, calculated as the sum over each transaction hour of the Billing Period of the following:

- Metered Energy in hour x location specific loss factor x Pool Price for the hour, where the location specific loss factor is an incremental factor determined by the AESO for each Point of Delivery.

(b) A minimum charge equal to:

- Opportunity Capacity under this Rate Schedule x number of hours in total transactions in the Billing Period x 75% x **\$20.00/MWh.**

Plus

(2) Transaction Fee: **\$500** per Billing Period.

Terms: (a) The rate is separately applicable at each POD.

(b) A Customer's pre-qualified eligibility for Demand Opportunity Service will be available for a maximum of one (1) year. The term for a System Access Service Agreement for Demand Opportunity Service will be:

- (i) no less than a continuous eight hours from 0:00 hr midnight to 24:00 hr, or such other minimum term as the AESO may, at its discretion set; and
- (ii) no greater than one (1) calendar month.



DOS Term

Demand Opportunity Service (Term)

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(c) To the extent practicable, service for Opportunity Service Customers taking service under this Rate Schedule shall be recallable in advance of service for Non-Recallable Customers in an Emergency.

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(d) References to Metered Energy in this Rate Schedule shall mean the amount of Metered Energy attributable to service under this Rate Schedule, which shall be determined in accordance with Article 10.4 of the Terms and Conditions.

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(e) When invoked by the AESO, Rate Rider E applies to customers under this Rate Schedule. When invoked by the AESO, Rate Rider F applies to customers under this Rate Schedule with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson.

(f) The Terms and Conditions form part of this Rate Schedule.



Rider F **Balancing Pool Consumer Allocation Rider** Page 1 of 1

Purpose: To collect from or refund to AESO Customers an annualized amount estimated by the Balancing Pool and transferred to the AESO under section 82 of the *Electric Utilities Act*.

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Applicable to: Customers receiving service under the following Rate Schedules:

- DTS, with the exception of the City of Medicine Hat
- DOS, with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson

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Effective: The rider is effective for all billing periods from January 1, 2006 to December 31, 2006.

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Rate: A credit of **\$1.00/MWh** of Metered Energy during the Billing Period.

Terms: The Terms and Conditions form part of this Rate Schedule.