


MADE at the City of Calgary, in the Province of Alberta, on 19th day of December 2006.	 ALBERTA ENERGY AND UTILITIES BOARD
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Alberta Electric System Operator (AESO) AESO 2007 Rider F	Application No. 1484951
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1 INTRODUCTION

On November 1, 2006, the Alberta Energy and Utilities Board (the Board) received an application (the Application) from the AESO in which it requested approval of an amendment to Rider F to reflect the annualized amount to be incorporated into the AESO's rates pursuant to sections 30 and 82 of the *Electric Utilities Act* (EUA).

On October 4, 2006, the Balancing Pool notified the AESO that it had announced a consumer allocation of \$3.00 MWh of consumption for an estimated annualized amount of \$166,516,788, to be reflected in the AESO's rates. The AESO indicated that the annualized amount is similar in nature to the amount currently being refunded to AESO customers through Rider F under the AESO's 2006 tariff as approved by the Board in Order U2005-464 dated December 20, 2005.

The Board issued notice of the Application (the Notice) on December 8, 2006 to all participants in the General Tariff Application process. No objections were received to the Application.

The Board notes that the Balancing Pool is the agency responsible for managing the Power Purchase Arrangements of several major power plants and was established to facilitate the management of certain assets, revenues and expenses arising from the transition to competition in Alberta's electric industry. Pursuant to the EUA, the Balancing Pool may make distributions from its revenues which are allocated to eligible consumers. These distributions are made through the AESO tariff pursuant to section 30(2) of the EUA, through Rider F. 2007 is the second year such a distribution has been made to consumers.

2 DETAILS OF APPLICATION

In its notification dated October 4, 2006, the Balancing Pool requested that the amount to be paid to AESO customers for 2007 as a \$3.00/MWh credit that would be shown as a separate tariff item to be as visible as possible to end-use consumers. The AESO stated that it believes the Balancing Pool's notice complies with the requirements of the EUA. The AESO requested approval by the Board pursuant to subsections 82(5) and (6) of the EUA, for a Balancing Pool Refund Rider F to provide a \$3.00/MWh credit to all Demand Transmission Service (DTS) and

Demand Opportunity Service (DOS) customers, with the exception of the City of Medicine Hat and BC Hydro Fort Nelson, for consumption from January 1 through December 31, 2007 inclusive. Pursuant to the Board's findings in Order 2006-307, the City of Medicine Hat and BC Hydro at Fort Nelson would not be eligible for the Rider.

3 BOARD FINDINGS

The Board notes that Rider F essentially provides a mechanism whereby the AESO may pass on refunds or collections from the Balancing Pool, and that no objections were received to the Notice. The Board has reviewed the Application and considers the requested tariff amendment to be reasonable and in the public interest. Therefore, it is appropriate that the update to Rider F be approved as filed pursuant to section 82(6) of the EUA.

4 ORDER

IT IS THEREFORE ORDERED THAT:

- (1) Rider F is approved as filed (copy attached as Appendix 1), effective January 1, 2007.

END OF DOCUMENT

Effective January 1, 2007

Appendix 1

Rider F Balancing Pool Consumer Allocation Rider

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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, 2007 to December 31, 2007.

Rate: A credit of **\$3.00/MWh** of Metered Energy during the Billing Period.

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