

### Overview

- Refiling on February 1, 2008 responds to EUB Decision 2007-106 dated December 21, 2007
- Decision addressed AESO 2007 General Tariff Application (GTA) originally filed November 3, 2006
- Refiling retains much of the structure of existing rates rather than changes proposed in 2007 GTA
- Consistent basis and structure implemented for:
  - Point of Delivery component in the Demand Transmission Service (DTS) rate,
  - contribution policy which determines a customer's contribution to cost of interconnection, and
  - Primary Service Credit for customers who own and operate their own service transformers
- Refiling expected to be subject to review process, with new rates effective in mid-2008

### Revised revenue requirement (\$ millions)

Cost Component	2007 GTA	
	Refiled	Initial
Wires	\$458.5	\$445.2
Ancillary Services	184.5	184.5
Losses	196.0	196.0
Other Industry Costs	5.5	5.5
General and Administrative	41.3	41.3
<b>Total</b>	<b>\$885.8</b>	<b>\$872.5</b>

### Increase of \$13.3 million (1.5%) compared to 2007 Forecast as filed in GTA

- Increase of \$13.3 million (3.0%) in 2007 wires costs based on EUB approvals of final or interim TFO tariffs since filing of 2007 GTA in November 2006

### DTS rate design

- Average 1% increase to DTS rate reflecting net change to cost of wires, ancillary services, other industry costs, and general and administrative costs since approval of 2006 costs
- DTS wires costs remain unbundled between bulk system, local system, and point of delivery
- Continuation of coincident demand charge to recover bulk system component of wires costs
- Increase in portion of interconnection charge recovered through demand (\$/MW) components, to 84% from 56% in current rate
- Point of Delivery (POD) charge restructured into smaller fixed (\$/month) component and four demand (\$/MW) tiers
- Refiled DTS rate would result in increases of more than 10% of total DTS and commodity charges at 63 load services; the AUC will determine if any rate mitigation measures are necessary

### DTS rate change

DTS Rate Component	Unit	Refiled (mid-2008)	Current (1 Jan 2006)	Change
Interconnection charge	\$/MW coincident	\$1,953.00	\$1,233.00	58.4%
	\$/MW (average)	\$2,017.00	\$1,260.00	60.1%
	\$/MWh	\$0.94	\$1.75	(46.3%)
	\$/month	\$5,493.00	\$21,899.00	(74.9%)
Operating Reserve Charge % of Pool Price		3.33%	3.87%	(14.0%)
Voltage Control Charge	\$/MWh	\$0.93	\$0.98	(5.1%)
OSS Services Charge	\$/MW	\$77.00	\$76.00	1.3%
<b>Net Change</b>				<b>0.7%</b>

- Changes to interconnection charge reflect increase in portion recovered through demand (\$/MW) components compared to usage (\$/MWh) and customer (\$/month) components
- Changes to operating reserve charge, voltage control charge, and other system support services charge were as filed

**STS rate change**

<b>STS Rate Component</b>	<b>Unit</b>	<b>Proposed (mid-2008)</b>	<b>Current (1 Jan 2006)</b>	<b>Change</b>
Losses ( <i>see note</i> )	% of Pool Price	4.76%	5.06%	(5.9)%
RGU Connection Costs	\$/MW	\$304.00	\$326.00	(6.7)%
<b>Net Change</b>				<b>(6.0%)</b>

- Loss factor provided above is system average only; actual loss factors are location-specific
- Change to average losses and Regulated Generating Unit (RGU) Connection Costs were as filed

**Other rate changes in refiling**

- The \$/MWh components of Demand Opportunity Service (DOS) increased as follows:
  - for DOS 7 Minutes, to \$3.23/MWh from \$3.00/MWh;
  - for DOS 1 Hour, to \$5.37/MWh from \$5.00/MWh; and
  - for DOS Term, to \$21.60/MWh from \$20.00/MWh
- The \$/MWh component of Export Opportunity Service (1 Hour) increased to \$2.03/MWh from \$1.67/MWh
- New Export Opportunity Service (1 Month) rate implemented with \$2.40/MWh usage charge
- Proposed “firm” Export Transmission Service (XTS) rate and proposed merchant service rates (MTS and MOS) not approved
- No changes to levels of Demand Under-Frequency Load Shedding Credits (UFLS) or Import Opportunity Service (IOS) rates
- Primary Service Credit (PSC) restructured similar to DTS POD charge

**Terms and conditions of service**

- Maximum local investment under Rate DTS established in parallel with DTS POD charge:
  - \$51,400/year x contract term x substation fraction, plus
  - \$28,900/MW/year x contract capacity x contract term for first 7.5 MW of contract capacity, plus
  - \$10,000/MW/year x contract capacity x contract term for next 9.5 MW of contract capacity, plus
  - \$5,900/MW/year x contract capacity x contract term for next 13 MW of contract capacity, plus
  - \$3,100/MW/year x contract capacity x contract term for all remaining MW of contract capacity
- Reduced investment level approved for customers receiving Primary Service Credit
- Contract term continues with minimum of 5 years and maximum of 20 years, with confirmation of the appropriateness of a five-year notice period and payment in lieu of notice requirement
- Where requests for capacity increase require construction of new facilities, contribution for the new facilities will be determined under the tariff in effect at the time of project commitment
- Operations and maintenance charge of 12% continues to apply to all load facilities (both standard facilities and those that exceed AESO standard facilities (sometimes called “optional facilities”))

**Additional information**

- EUB determined all outstanding directions from prior decisions have been addressed
- Three directions were issued to be dealt with in the AESO’s next tariff application
- A revised Ancillary Services Article 11 has been separately applied for as part of a negotiated settlement process, and tariff will be updated as necessary on its approval

**For more information**

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