


MADE at the City of Calgary, in the Province of Alberta, on  16th day of November 2007.	 ALBERTA ENERGY AND UTILITIES BOARD
Alberta Electric System Operator 2008 Rider F	Application No. 1530909

## 1 INTRODUCTION

On October 23, 2007, the Alberta Energy and Utilities Board (the Board) received an application (the Application) from the Alberta Electric System Operator (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 16, 2007, the Balancing Pool notified the AESO that it had announced a consumer allocation of \$5.00 per MWh of consumption for an estimated annualized amount of \$291,764,500 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 2007 tariff as approved by the Board in Order U2006-332 dated December 19, 2006.

The Board issued notice of the Application (the Notice) on October 31, 2007 to all participants in the General Tariff Application process. Statements of Intention to Participate (SIP) were received from ATCO Electric (AE) and the Utilities Consumer Advocate (UCA). The SIPs did not contain any specific objections to the Application. Board staff, in order to clarify the SIPs, contacted the participants (AE and UCA) to identify any objections and to determine if further process was required. No objections were identified.

The Board notes that the Balancing Pool is the agency responsible for managing the Power Purchase Arrangements of several major power plants that were 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. 2008 is the third year such a distribution has been made to consumers.

## **2 DETAILS OF THE APPLICATION**

In its notification dated October 16, 2007, the Balancing Pool requested that the amount to be paid to AESO customers for 2008 as a \$5.00/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 believed the Balancing Pool's notice complied with the requirements of section 82(4) of the EUA. Pursuant to section 82(6)(b) of the EUA, the AESO reviewed the basis for its allocation to AESO customers. 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 \$5.00/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, 2008 inclusive. Pursuant to the Board's findings in Order U2006-307, the City of Medicine Hat and BC Hydro at Fort Nelson would not be eligible for the Rider.

## **3 BOARD FINDINGS**

Having received no objections to the Application in response to the Notice, the Board will consider the Application without further notice or process as indicated in the Notice.

Rider F essentially provides a mechanism whereby the AESO may pass on refunds or collections from the Balancing Pool. In the absence of objections, 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, 2008.

## APPENDIX 1 – AESO 2008 RIDER F

### Alberta Electric System Operator

#### **Rider F                      Balancing Pool Consumer Allocation Rider**

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*.

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

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

Effective:                      The rider is effective for all billing periods from January 1, 2008 to December 31, 2008.

Rate:                              A credit of **\$5.00/MWh** of Metered Energy during the Billing Period.

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

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