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| MADE at the City of Calgary, in the Province of Alberta, on 24th day of November 2008. |  ALBERTA UTILITIES COMMISSION |
| Alberta Electric System Operator 2009 Rider F | Application No.1592737 Proceeding ID. 118 |

1 INTRODUCTION

On October 29, 2008 , the Alberta Utilities Commission (Commission) received an application (Application) from the Alberta Electric System Operator (AESO) for approval, pursuant to subsections 82(5) and (6) of the *Electric Utilities Act* (EU Act), for a Balancing Pool Consumer Allocation Rider F to provide a \$6.50/MWh credit to all Demand Transmission Service (DTS) and Demand Opportunity Service (DOS) customers, with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson, for consumption from January 1 through December 31, 2009, inclusive.

The Commission issued notice of the Application (Notice) on November 5, 2008 to all participants in the AESO's General Tariff Application process. No Statements of Intention to Participate were received.

2 DETAILS OF THE APPLICATION

In the Application, the AESO indicated that on October 14, 2008, the AESO had received notification from the Balancing Pool of an estimated annualized positive amount of \$389,844,650 to be incorporated into the AESO's rates, pursuant to sections 30 and 82 of the EU Act. The AESO submitted that the Balancing Pool's notice complied with the requirements of subsection 82(4) of the EU Act.

The AESO stated that the Balancing Pool had requested that the amount be paid to AESO customers as a \$6.50/MWh credit during 2009. Noting that Rider F was first implemented in 2006, the AESO indicated that the annualized amount was similar in nature to the amount currently being refunded to AESO customers through the Balancing Pool Consumer Allocation Rider F under the AESO's 2008 tariff, approved as a \$5.00/MWh credit effective from January 1 to December 31, 2008 in Alberta Energy and Utilities Board Order U2007-309 dated November 16, 2007.

Citing the increase in the annualized amount for 2009, the AESO submitted that it had reviewed the basis for its allocation to AESO customers pursuant to subsection 82(6)(b) of the EU Act and

concluded, based on the reasons provided, that an allocation as a \$/MWh credit remains appropriate.

Based on the above, the AESO indicated its acceptance of the Balancing Pool's recommendation that the annualized amount continue to be refunded to AESO customers as a \$/MWh amount, set at \$6.50/MWh credit effective from January 1 to December 31, 2009, and further proposed that other aspects of the 2009 Rider F, including applicability criteria, continue unchanged from the 2008 Rider F which is currently in effect.

The AESO requested approval by the Commission pursuant to subsections 82(5) and (6) of the EU Act, for a Balancing Pool Refund Rider F to provide a \$6.50/MWh credit to all DTS and DOS customers, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for consumption from January 1 through December 31, 2009 inclusive. Medicine Hat and Fort Nelson are not considered distribution utilities under subsection 101(2) of the EU Act and therefore are not eligible for a refund.

3 VIEWS OF THE COMMISSION

The Commission 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 EU Act, 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 subsection 82(6)(b) of the EU Act, through Rider F. The period for which this Application was made, from January 1 to December 31, 2009, would be the fourth year that such a distribution has been made to consumers.

Having received no objections to the Application in response to the Notice, the Commission has considered the Application without further notice or process as indicated in the Notice. The Commission considers that Rider F essentially provides a mechanism whereby the AESO may pass on refunds or collections from the Balancing Pool. The Commission has reviewed the Application and considers that the request for a Balancing Pool Refund Rider F to provide a \$6.50/MWh credit to all DTS and DOS customers, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for consumption from January 1 through December 31, 2009 inclusive, is reasonable and in the public interest and is therefore approved as filed pursuant to subsection 82(6) of the EU Act.

4 ORDER

IT IS THEREFORE ORDERED THAT:

- (1) Rider F is approved as filed (copy attached as Appendix 1), effective from January 1 to December 31, 2009.

APPENDIX 1 – ALBERTA ELECTRIC SYSTEM OPERATOR RIDER F

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*.

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

Effective: The rider is effective for all billing periods from January 1, 2009 to December 31, 2009.

Rate: A credit of **\$6.50/MWh** of Metered Energy during the Billing Period.

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

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