

**From:** Jeffrey.Olsen@atcoelectric.com [mailto:Jeffrey.Olsen@atcoelectric.com]  
**Sent:** Thursday, April 9, 2015 12:51 PM  
**To:** Flintoff, Don BCUC:EX  
**Cc:** Smith, J. Todd BCUC:EX  
**Subject:** RE: ATCO Exemption - Additional Clarification

Good afternoon Gentlemen,

Please see my response (in red font) embedded in the questions below. I hope this helps.  
Please feel free to give me a call if you have any questions or need further clarification.  
Thank you.

Jeff Olsen  
Manager, Key Accounts, Edmonton  
Distribution Division  
ATCO Electric  
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**From:** Flintoff, Don BCUC:EX [mailto:Don.Flintoff@bcuc.com]  
**Sent:** Tuesday, April 07, 2015 3:15 PM  
**To:** Olsen, Jeffrey  
**Cc:** Smith, J. Todd BCUC:EX  
**Subject:** ATCO Exemption - Additional Clarification

Jeff:

I'll be in the office tomorrow. I would like to discuss the two items below.

We require clarification as to whether the two items below are delivery only (not retail) or delivery/retail customers of ATCO Electric.

1. Please confirm if the underlined statement below is true and accurate when one considers the statement in italics.

**E-7-95**

Even though ATCO Electric requested Order E-7-95 be amended, Order E-7-95 approved a specific Electric Service Agreement dated February 1, 1995 between APL and Home Oil (now CNRL) for an initial period of 10

years. No renewal of that agreement has been requested, in fact the agreement is no longer in use since ATCO has applied its AUC approved tariff.

*“CNRL is served on ATCO Electric’s AUC approved Price Schedule D31 – Large General Service/Industrial Distribution Connected Tariff.” (Application, Attachment 1, p. 6)*

The Electric Service Agreement (ESA) between ATCO Electric and, at the time, Home Oil was for an Initial Term of 10 years with an automatic renewal. The ESA remains in effect after the Initial Term until such time as either party gives written notice to the other party to terminate the agreement; to this point, neither party (nor their successors) have done so. So, I think, ATCO Electric simply requires an amendment to E-7-95 to reflect the name change: the facilities are now owned by CNRL (instead of Home Oil) and the ESA is now between ATCO Electric and CNRL.

The ESA also contains a clause wherein ATCO Electric was to bill Home Oil on its approved Electric Service Tariff. The “Electric Service Tariff is defined as:

“Electric Service Tariff” means the electric service regulations and the aggregate of the rate schedules, riders and options approved **from time to time** by the Public Utilities Board of Alberta or any successor thereof which establishes the regulations applicable to the electric service provided by the Corporation and **the rates which the Corporation may charge its customer for any such service.** (emphasis added)

At the time the ESA was established (February 1, 1995) ATCO Electric tariffs were a fully bundled tariff recovering both energy and delivery charges. Since at least the mid 2000’s, ATCO Electric’s tariffs are delivery only (i.e. recover delivery costs only, not any “energy” costs).

So the short story is that the ESA is still in effect and the Price Schedule/Tariff under that ESA is ATCO Electric’s Alberta Utilities Commission approved D31 (i.e. delivery only).

2. Please clarify whether the price schedules referred to in ATCO’s application and reproduced below refer only to delivery rates, energy rates or both.

The Price Schedules noted in the table below are for delivery only. While these Price Schedules contain an “Energy Charge”, ATCO Electric’s Distribution Price Schedules/Tariffs contain a combination of Customer (i.e. fixed), Demand (tied to a customer’s peak demand) and Energy (tied to a customer’s monthly energy consumption) charges. The Energy Charge in the Distribution Price Schedules/Tariffs is purely a rate structure/rate setting mechanism only, and is designed to recover (along with the Customer and Demand charges) ATCO Electric’s delivery costs (i.e. does not recover “energy” related costs).

## Price Schedules

In its Application, ATCO Electric requests Commission “...approval for ATCO Electric to continue to apply its AUC approved Price Schedules and Terms and Conditions, as amended from time to time, to its customers in B.C.”<sup>[1]</sup>

ATCO Electric provided the following AUC approved pricing schedules as applicable to its B.C. customers.

Facility (in B.C.)	Proposed AUC Rate Schedule
Line 1 – Jasper Customer: CNR	D21 – Standard Small General Service
Line 2 – Elmworth Customer: ConocoPhilips	D31 – Large General Service/ Industrial Distribution Connected
Line 12 – Baytree-Bonanza/Spirit River Customer: Residential / Farm	D1 – Standard Residential D56 – Farm Service
Line 8 – Ring Border Customer: ConocoPhilips	D41 – Small Oilfield and Pumping Power Tariff
Line 9 – Kahntah Oil Field Customer: CNRL, Telus, Bell Mobility, ConocoPhilips	D31 D21 D21

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<sup>[1]</sup> Exhibit B-3, Attachment 1, Appendix 5