



# ***CITY COUNCIL ADDITIONAL AGENDA***

Monday, September 30, 2013 – Council Chambers, City Hall

Call to Order:	2:00 PM
Recess:	5:00 PM to 6:00 PM
Public Hearing(s):	6:00 PM

## **I. BYLAWS**

- I.1. Electric Utility Bylaw Amendment 3273/B-2013  
Revision to Appendix A - Distribution Tariff - Effective January 1, 2014  
Consideration of Three Readings of the Bylaw

(Agenda Pages 1 – 20)



September 27, 2013

## Revision to Distribution Tariff Effective January 1, 2014

### Electric Utility Bylaw Amendment 3273/B-2013

Electric Light and Power

#### **Report Summary & Recommendation:**

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The Electric Light & Power Department is recommending Council's approval of revisions to the Distribution Tariff, Appendix A, Electric Utility Bylaw No. 3273/2000 to accurately reflect an increase in provincial transmission costs.

It is recommended that City Council provide all three readings at the Council meeting on September 30, 2013 for final approval of the proposed revisions to "Appendix A – Distribution Tariff" of the Electric Utility Bylaw No. 3273/2000 as detailed in the attachment with the effective date being January 1, 2014.

#### **City Manager Comments:**

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These costs do not relate to The City but are flow-through costs from the Alberta Electric System Operator (AESO). This is an example of how expenditures sometimes increase significantly as a result of flow-through costs by other parties.

Craig Curtis  
City Manager

#### **Proposed Resolution**

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That Council consider three readings of Electric Utility Bylaw Amendment 3273/B-2013 at this time.



## Report Details

### Background:

The EL&P department, as the operator of the electric distribution system in Red Deer, recovers the cost of operating and maintaining the utility through its Distribution Tariff ("DT"), which is regulated and approved by City Council. For the purposes of this report, there are essentially two key components of the DT:

1. Distribution Access Charges (DAC) which are the costs associated with EL&P's regular operation and maintenance of the distribution system within Red Deer.
2. System Access Charges (SAC) which are the costs associated with building, operating and maintaining the provincial transmission system.

This request deals specifically with impacts of the transmission (SAC) related costs as described above.

The Alberta Electric System Operator (AESO) has recently received approval to increase their rates effective October 1, 2013. It is the EL&P department's responsibility to collect all transmission costs from our customers on behalf of the AESO. There are two ways in which the costs can be recovered:

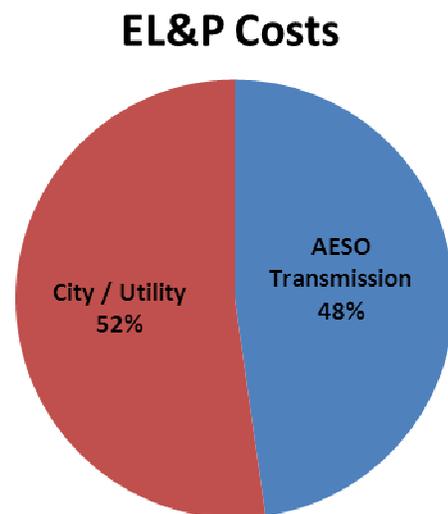
1. Through rates established by the department and approved by Council as the utility's regulator. These are set on an as needed basis – typically annually but can be more frequent if circumstances dictate.
2. Through the transmission rate rider established by Council at the start of 2013. This is reviewed and set on a quarterly basis to properly manage volatility associated with several aspects of the provincial transmission costs. There was an initial base amount established to collect under-recoveries in 2012.

### Discussion:

#### I. IMPACT ON DISTRIBUTION TARIFF & TRANSMISSION RATE RIDER

The AESO's transmission costs will be increasing by 35% beginning October 1, 2013. The transmission component of our costs will now account for approximately 48% of our total budget and as a result, EL&P is recommending a 20% increase to its base rates effective January 1, 2014. The delay in implementation is due to timing and billing requirements. For the period of October 1<sup>st</sup> through the end of 2013, administration will be using the transmission rate rider to ensure the costs are collected appropriately.

Throughout 2013, the rate rider has allowed the department to efficiently and effectively manage unpredictability and volatility associated with the AESO costs on a quarterly basis which ensures the appropriate costs are collected from the appropriate customers in a timely manner.





For the last quarter of 2013, the rate rider will be used to collect the recent rate increase plus any additional unbudgeted costs charged by the AESO as per our regular practice. If the new DT rates are established as requested, EL&P will reset the rate rider to the original base amount plus whatever new AESO charges are incurred, if any, effective January 1, 2014. The expectation is that customers will likely see an overall decrease in total transmission charges (tariff rate + rider) in 2014 compared to the end of 2013. Additional detail is shown below in section 5 – Impact on Customers.

## **2. BALANCING POOL ALLOCATION REBATE**

The Balancing Pool rebate is not proposed to change with this request since the 2014 amount has not been established. This will be addressed when the new information is made available.

## **3. LOCAL ACCESS FEE**

The Local Access Fee (“LAF”) is a separate line item within the DT and is a charge levied by the municipality to the electric utility as a franchise fee for the exclusive rights to use portions of road, rights-of-way and other city-owned properties and lands for the purpose of placing and maintaining electrical distribution facilities.

EL&P intends to maintain local access fee revenue at the same level as received in 2013. No change to the LAF rate in the tariff is proposed.

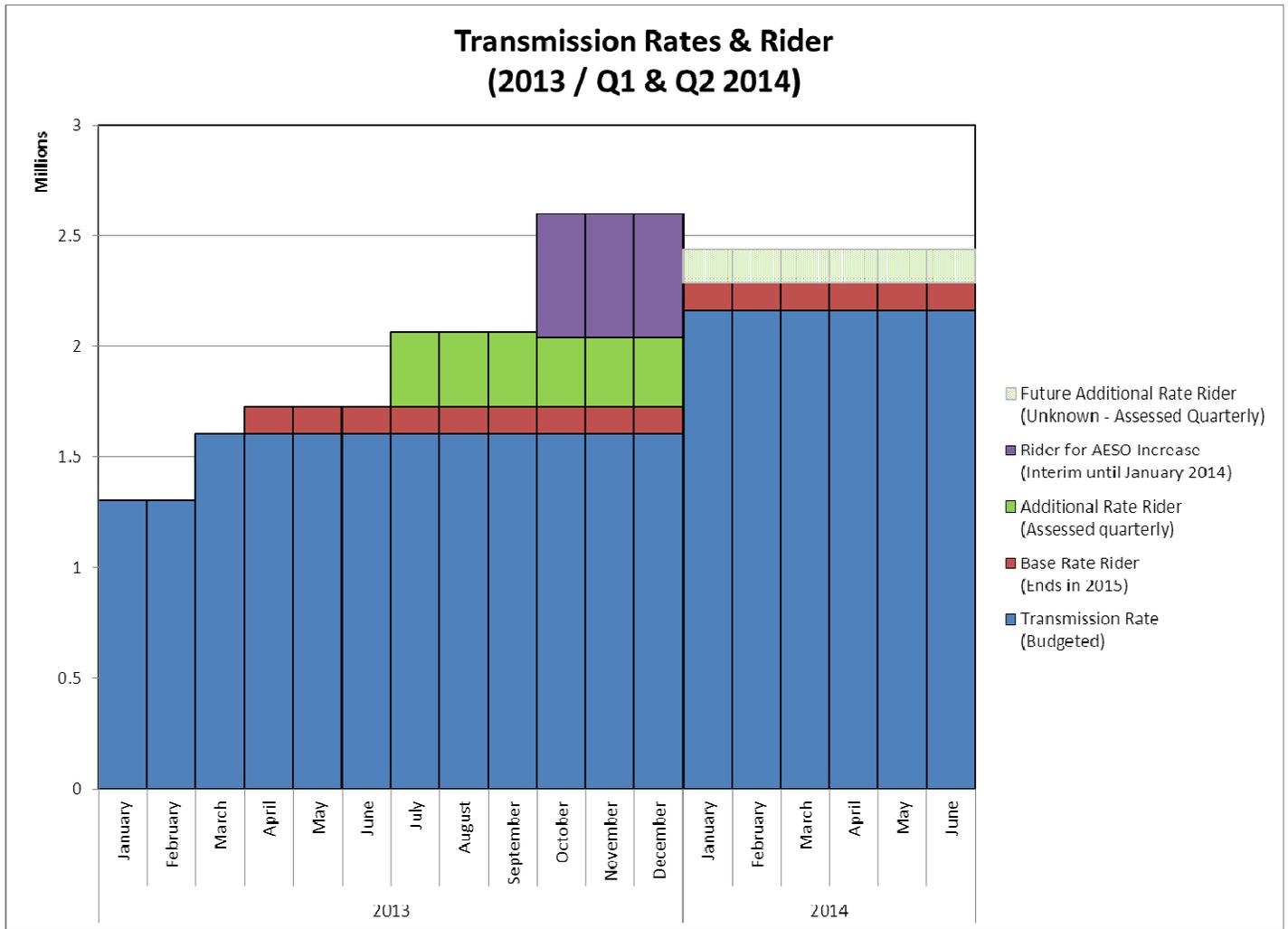
## **4. PROPOSED RATE ADJUSTMENT**

The attached red-lined bylaw presents details of the proposed changes to our DT rates, specifically to Appendix A of Bylaw 3273/2000.

## **5. IMPACT ON CUSTOMERS**

As mentioned, when compared to total transmission costs at the end of 2013, the impact on customers effective January 1, 2014 is expected to be a net reduction in their charges. The following figure showing transmission rates and rate rider progression for 2013 and 2014 illustrates how a net reduction is anticipated. With our current available information, the additional rate rider amount in 2014 is not known but is expected to be considerably lower than the last quarter of 2013.

Average charges per rate class are shown in Table 2 following the graph.



**Table 2. Impact on Typical Customers for monthly DT charges including Rate Rider (end of 2013 vs. start of 2014)**

Rate Class	DT Charge		Local Access Fee		Balancing Pool		Transmission Rider		Total Change	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>E61 Residential</b>	\$5.96	17.1%	\$0.00	0.0%	\$0.00	0.0%	(\$7.56)	(86.90%)	(\$1.60)	(3.41%)
<b>E63 Small GS</b>	\$19.32	18.3%	\$0.00	0.0%	\$0.00	0.0%	(\$25.20)	(86.90%)	(\$5.88)	(4.14%)
<b>E64 Gen Svc</b>	\$257.79	22.5%	\$0.00	0.0%	\$0.00	0.0%	(\$315.00)	(86.90%)	(\$57.21)	(3.72%)
<b>E78 Large GS</b>	\$3,417.99	24.2%	\$0.00	0.0%	\$0.00	0.0%	(\$5,040.00)	(86.90%)	(\$1,622.01)	(8.20%)



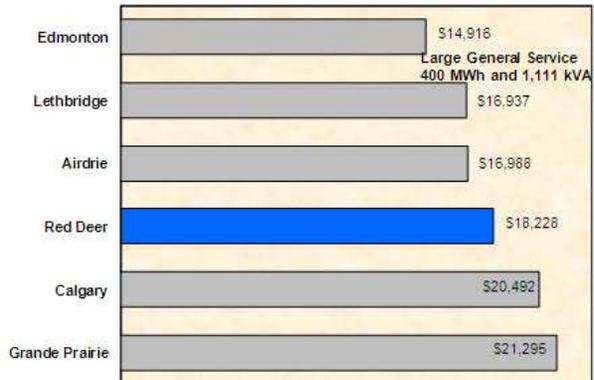
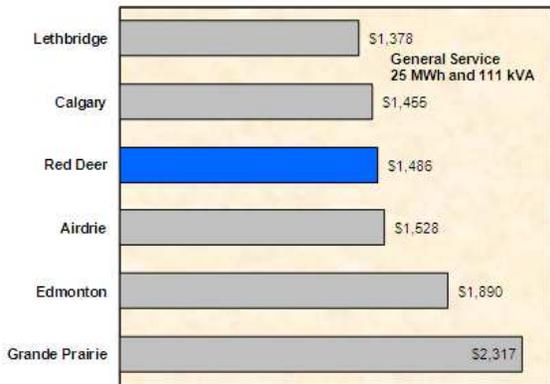
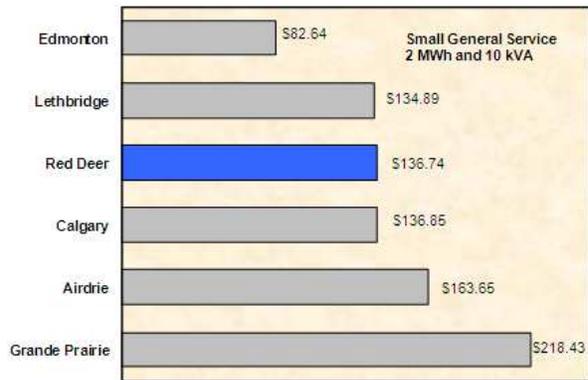
### 6. RATE COMPARISONS

This situation is not unique to Red Deer. All services and customers within the province are responsible for transmission costs in the same way. The result is that this particular issue does not impact our competitive standing within the province.

The following four graphs show the current monthly DT charges for typical customer classes in select service areas in the province. It should be noted that these graphs are for delivery charges only. Retailer charges, including the energy charge and billing charge, are not included.

The graphs show that with the recommended rate changes, the City will continue to remain competitive in the Alberta market.

Red Deer 2014 Proposed Rates Compared to Other Cities' October 2013 Rates



**CITY OF RED DEER<sup>1</sup>**  
**ELECTRIC LIGHT & POWER DEPARTMENT**  
**DISTRIBUTION TARIFF**

**GENERAL**

Effective Date

This Tariff is effective on ~~March 1, 2013~~ **January 1, 2014**. It applies to all consumptions, whether estimated or actual, on and after ~~March 1, 2013~~ **January 1, 2014**, for the use of System Access and Distribution Access services.

Terms and Conditions

The "Terms and Conditions for Distribution Access Services" and the "Terms and Conditions for Retail Access Services" are part of this Tariff. Furthermore, the "Schedule of Fees for Distribution Access Services" and the "Retail Access Service Agreement" are also part of this Tariff.

Billing Demand

The kVA of Billing Demand with respect to the monthly billing period will be the greater of:

1. the highest kVA Metered Demand in the monthly billing period; or
2. the highest kVA Metered Demand in the 12 consecutive months including and ending with the monthly billing period.

The kVA Metered Demand will be measured by either a thermal demand meter having a demand response period of 90% in 15 minutes and a 30 minute test period, or 15 minute interval demand metering equipment.

The kVA of Billing Demand will be re-established on such shorter periods of time as designated by the Electric Light & Power Manager for the individual customer as warranted by that customer's changing load characteristics.

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<sup>1</sup> 3273/B-2001, 3273/A-2002, 3273/B-2003, 3273/A-2005, 3273/A-2006, 3273/B-2006, 3273/E-2006, 3273/A-2007, 3273/A-2008, 3273/A-2009, 3273/B-2009, 3273/B-2010, 3273/D-2010, 3273/A-2011, 3273/B-2011, 3273C-2012, 3273/D-2012, 3273/A-2013

Transmission Rate Rider

On a quarterly basis, the EL & P Manager (or designate) will:

1. Monitor the Alberta Electric System Operator's transmission costs.
2. Establish an appropriate adjustment to account for variances between estimated and actual provincial transmission costs.
3. Notify the Director of Development Services of the calculated adjustment.
4. Subject to the Director's approval, ensure the adjustment is accurately reflected in the Distribution Tariff.

### RESIDENTIAL - RATE 61

**Application** Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	<del>0.2986</del> 0.4145	<del>0.4103</del> 0.4212
Variable Charge	\$/kWh of all energy	<del>0.0080</del> 0.0111	<del>0.0141</del> 0.0145

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Basic Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

### GENERAL SERVICE - RATE 63

**Application** Applies to non-residential customers and to residential premises not entitled to Rate 61, plus the "house lights" services (including common area lighting and utility rooms) of apartment buildings where the kVA Metered Demand is less than 50 kVA. If the kVA Metered Demand exceeds 50 kVA, Rate 64 will be applied immediately and will be continued to be applied irrespective of future kVA Metered Demand.

Services are to be taken at one of the following nominal voltages:

120/240 Volts, single phase, 3 wire;  
120/208Y Volts, network, 3 wire;  
120/208Y Volts, three phase, 4 wire;  
347/600Y Volts, three phase, 4 wire.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	<del>1.1111</del> 1.5141	<del>1.1519</del> 1.1868
Variable Charge	\$/kWh of all energy	<del>0.0074</del> 0.0101	<del>0.0110</del> 0.0113

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

### GENERAL SERVICE - RATE 64

**Application** Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	<del>0.1288</del> 0.1787	<del>0.0995</del> 0.1030
Variable Charge	\$/kWh of all energy	<del>0.0073</del> 0.0101	<del>0.0076</del> 0.0079

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

## LARGE GENERAL SERVICE/INDUSTRIAL - RATE 78

**Application** Applies where 4,160 volts or greater is available with adequate system capacity and service is taken at 4,160 volts or greater, balanced three phase and the kVA Metered Demand is not less than 1000 kVA.

Rate 78 is also applicable to all customers who were billed on Rate 78 prior to December 31, 2000 regardless of the kVA Metered Demand.

### Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	<del>0.1354</del> 0.1927	<del>0.1068</del> 0.1104
Variable Charge	\$/kWh of all energy	<del>0.0075</del> 0.0107	<del>0.0073</del> 0.0075

### Balancing Pool Allocation

A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

### Transmission Rider

Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

### Local Access Fee

Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

### Minimum Monthly Charge

Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

## STREET LIGHT SERVICE - RATE 81

**Application** Applies to standard street light fixtures.

### Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1774 0.2519	0.1349 0.1397
Variable Charge	\$/kWh of all energy	0.0074 0.0105	0.0084 0.0087

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

## TRAFFIC LIGHT SERVICE - RATE 82

**Application** Applies to standard traffic light systems.

### Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1782 0.2315	0.1262 0.1306
Variable Charge	\$/kWh of all energy	0.0074 0.0096	0.0104 0.0108

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Demand Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

**DISTRIBUTION GENERATION - RATE 83**

**Application** Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
2. Have installed a revenue class bi-directional 15-minute interval meter.

Generators not meeting the above requirements are reviewed on an individual basis.

<b>Distribution Tariff</b>	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
  2. Peak output is measured and calculated in the same manner as the Billing Demand for load customers

**Local Access Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Transmission Charge** As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

**Transmission Credit**  $DTS \times \Sigma(A - B)$  where

DTS is the applicable demand tariff of the Transmission Administrator  
 A is hourly gross billing determinants at the Point of Delivery to which the customer is connected  
 B is hourly net billing determinants at the Point of Delivery to which the customer is connected

This is a credit to the customer and is calculated on a monthly basis.

**BYLAW NO. 3273/B-2013**

Being a bylaw to amend Bylaw No. 3273/2000, the Electric Utility Bylaw of The City of Red Deer.

COUNCIL ENACTS AS FOLLOWS:

Bylaw No. 3273/2000 is hereby amended as follows:

1. By deleting 'Appendix A' – Distribution Tariff' and replacing it with the attached revised 'Appendix A – Distribution Tariff'.
  
2. This bylaw shall come into effect on January 1, 2014.

READ A FIRST TIME IN OPEN COUNCIL this                      day of                      2013.

READ A SECOND TIME IN OPEN COUNCIL this                      day of                      2013.

READ A THIRD TIME IN OPEN COUNCIL this                      day of                      2013.

AND SIGNED BY THE MAYOR AND CITY CLERK this                      day of                      2013.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

**CITY OF RED DEER**  
**ELECTRIC LIGHT & POWER DEPARTMENT**  
**DISTRIBUTION TARIFF**

**GENERAL**

Effective Date

This Tariff is effective on January 1, 2014. It applies to all consumptions, whether estimated or actual, on and after January 1, 2014, for the use of System Access and Distribution Access services.

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The kVA Metered Demand will be measured by either a thermal demand meter having a demand response period of 90% in 15 minutes and a 30 minute test period, or 15 minute interval demand metering equipment.

The kVA of Billing Demand will be re-established on such shorter periods of time as designated by the Electric Light & Power Manager for the individual customer as warranted by that customer's changing load characteristics.

Transmission Rate Rider

On a quarterly basis, the EL & P Manager (or designate) will:

**APPENDIX "A"**  
Bylaw 3273/B-2013  
Page 2 of 9

1. Monitor the Alberta Electric System Operator's transmission costs.
2. Establish an appropriate adjustment to account for variances between estimated and actual provincial transmission costs.
3. Notify the Director of Development Services of the calculated adjustment.
4. Subject to the Director's approval, ensure the adjustment is accurately reflected in the Distribution Tariff.

**APPENDIX "A"**  
Bylaw 3273/B-2013  
Page 3 of 9

**RESIDENTIAL - RATE 61**

**Application** Applies to all residential premises which are measured by a single meter and which contain not more than two dwelling units.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	0.4145	0.4212
Variable Charge	\$/kWh of all energy	0.0111	0.0145

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

**Local Access  
Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Minimum  
Monthly  
Charge** Total Basic Charge (System Access plus Distribution Access), plus any applicable Local Access Fee.

### GENERAL SERVICE - RATE 63

**Application** Applies to non-residential customers and to residential premises not entitled to Rate 61, plus the "house lights" services (including common area lighting and utility rooms) of apartment buildings where the kVA Metered Demand is less than 50 kVA. If the kVA Metered Demand exceeds 50 kVA, Rate 64 will be applied immediately and will be continued to be applied irrespective of future kVA Metered Demand.

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120/240 Volts, single phase, 3 wire;  
120/208Y Volts, network, 3 wire;  
120/208Y Volts, three phase, 4 wire;  
347/600Y Volts, three phase, 4 wire.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Basic Charge	\$ per day	1.5141	1.1868
Variable Charge	\$/kWh of all energy	0.0101	0.0113

**Balancing  
Pool  
Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider** Charge or credit for a charge or refund from the Alberta Electric System Operator for Demand Transmission Services which is not included in the System or Distribution Access charges.

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**Application** Applies to commercial and industrial installations where service is taken at the voltage listed for Rate 63 but where the kVA Metered Demand is 50 kVA or greater.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1787	0.1030
Variable Charge	\$/kWh of all energy	0.0101	0.0079

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**APPENDIX "A"**  
Bylaw 3273/A-2013  
Page 6 of 9

**LARGE GENERAL SERVICE/INDUSTRIAL - RATE 78**

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Rate 78 is also applicable to all customers who were billed on Rate 78 prior to December 31, 2000 regardless of the kVA Metered Demand.

**Distribution  
Tariff**

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.1927	0.1104
Variable Charge	\$/kWh of all energy	0.0107	0.0075

**Balancing  
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Allocation**

A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

**Transmission  
Rider**

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Monthly  
Charge**

Total Basic Charge (System Access plus Distribution Charge), plus any applicable Local Access Fee.

## STREET LIGHT SERVICE - RATE 81

**Application** Applies to standard street light fixtures.

### Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.2519	0.1397
Variable Charge	\$/kWh of all energy	0.0105	0.0087

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

**Balancing  
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Allocation** A credit of \$0.00569/kWh of all energy effective from January 1, 2013.

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## TRAFFIC LIGHT SERVICE - RATE 82

**Application** Applies to standard traffic light systems.

### Distribution Tariff

	Unit	System Access	Distribution Access
Demand Charge	\$/kVA of Billing Demand per day	0.2315	0.1306
Variable Charge	\$/kWh of all energy	0.0096	0.0108

Note: Demand and consumption values of individual fixtures will be established by the Electric Light & Power Manager and will be reviewed by the Electric Light & Power Manager from time to time.

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**Application** Applies to generators meeting all of the following requirements

1. Have a capacity of 150 kW or greater, and connected to a distribution voltage;
2. Have installed a revenue class bi-directional 15-minute interval meter.

Generators not meeting the above requirements are reviewed on an individual basis.

<b>Distribution Tariff</b>	Unit	Distribution Access
Capacity Charge	\$/kW of peak output per day	0.0825
Variable Charge	\$/kWh of supplied energy	0.0057

- Note:
1. Power consumption by the customer for standby purposes is subject to an applicable rate (61, 63, 64, 78, 81 or 82) for load customers
  2. Peak output is measured and calculated in the same manner as the Billing Demand for load customers

**Local Access Fee** Assessed as 33% of each and every component of the Distribution Access Charge and is added to the customer's bill.

**Transmission Charge** As per the applicable supply tariff of the Transmission Administrator. This is a charge to the customer and is added to the customer's bill.

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DTS is the applicable demand tariff of the Transmission Administrator  
 A is hourly gross billing determinants at the Point of Delivery to which the customer is connected  
 B is hourly net billing determinants at the Point of Delivery to which the customer is connected

This is a credit to the customer and is calculated on a monthly basis.



**Council Decision – September 30, 2013**

**DATE:** October 1, 2013  
**TO:** Jim Jorgenson, EL & P Manager  
**FROM:** Jackie Kurylo, Acting Deputy City Clerk  
**SUBJECT:** Electric Utility Bylaw Amendment 3273/B-2013  
Revision to Appendix A – Distribution Tariff – Effective January 1, 2014

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**Reference:**

Electric Light and Power, dated September 27, 2013

**Bylaw Reading:**

At the Monday, September 30, 2013 Council meeting, Council gave first and second readings to Electric Utility Bylaw Amendment 3273/B-2013, an amendment to Appendix A – Distribution Tariff with rates to be effective January 1, 2014. Permission to go to third reading of Electric Utility Bylaw Amendment 3273/B-2013 did not receive unanimous consent.

**Report back to Council:** Yes

**Comments/Further Action:**

This bylaw will come back to the Tuesday, October 15, 2013 Council meeting for consideration of third reading of the bylaw.

A handwritten signature in blue ink, appearing to read 'Jackie Kurylo', written over the printed name.

Jackie Kurylo  
Acting Deputy City Clerk

- c: Director of Development Services
- Director of Corporate Services
- Financial Services Manager
- Corporate Meeting Coordinator



September 30, 2013

## Revision to Distribution Tariff Effective January 1, 2014

Electric Light and Power

### **Report Summary & Recommendation:**

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The Electric Light & Power Department is recommending Council's approval of revisions to the Distribution Tariff, Appendix A, Electric Utility Bylaw No. 3273/2000 to accurately reflect an increase in provincial transmission costs.

It is recommended that City Council provide all three readings at the Council meeting on September 30, 2013 for final approval of the proposed revisions to "Appendix A – Distribution Tariff" of the Electric Utility Bylaw No. 3273/2000 as detailed in the attachment with the effective date being January 1, 2014.

### **City Manager Comments:**

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LGS Only - City Manager Comments

### **Proposed Resolution**

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LGS Only - Proposed Resolutions

DRAFT

## Report Details

### Background:

The EL&P department, as the operator of the electric distribution system in Red Deer, recovers the cost of operating and maintaining the utility through its Distribution Tariff ("DT"), which is regulated and approved by City Council. For the purposes of this report, there are essentially two key components of the DT:

1. Distribution Access Charges (DAC) which are the costs associated with EL&P's regular operation and maintenance of the distribution system within Red Deer.
2. System Access Charges (SAC) which are the costs associated with building, operating and maintaining the provincial transmission system.

This request deals specifically with the transmission related costs.

The Alberta Electric System Operator (AESO) has recently received approval to increase their rates effective October 1, 2013. It is the EL&P department's responsibility to collect all transmission costs from our customers on behalf of the AESO. There are two ways in which the costs can be recovered:

1. Through rates established by the department and approved by Council as the utility's regulator. These are set on an as needed basis – typically annually but can be more frequent if circumstances dictate.
2. Through the transmission rate rider established by Council at the start of 2013. This is reviewed and set on a quarterly basis to properly manage volatility associated with several aspects of the provincial transmission costs. There was an initial base amount established to collect under-recoveries in 2012.

**Comment [EV1]:** I would add at the end of the sentence : or SAC as described above.

### Discussion:

#### 1. IMPACT ON DISTRIBUTION TARIFF & TRANSMISSION RATE RIDER

The AESO's transmission costs will be increasing by 35% beginning October 1, 2013. The transmission component of our costs will now account for approximately 48% of our total budget and as a result, EL&P is recommending a 20% increase to its base rates effective January 1, 2014. The delay in implementation is due to timing and billing requirements. For the period of October 1<sup>st</sup> through the end of 2013, Administration we will be using the transmission rate rider to ensure the costs are collected appropriately.

Throughout 2013, the rate rider has allowed the department to efficiently and effectively manage unpredictability and volatility associated with the AESO costs on a quarterly basis which ensures the appropriate costs are collected from the appropriate customers in a timely manner.

**EL&P Costs**



For the last quarter of 2013, the rate rider will be used to collect the recent rate increase plus any additional unbudgeted costs charged by the AESO as per our regular practice. If the new DT rates are established as requested, EL&P will reset the rate rider to the original base amount plus whatever new AESO charges are incurred, if any, effective January 1, 2014. The expectation is that customers will likely see an overall decrease in total transmission charges (tariff rate + rider) in 2014 compared to the end of 2013.

EL&P does not intend to increase its tariff for local distribution costs until the operating budget process with Council has been completed in January. However, as shown in Table 1, there is a nominal distribution component (DAC) impact that results from this change in transmission costs. It is driven by how certain costs are allocated and how reserve balances need to be managed.

**Comment [EV2]:** Do we need this information in this paragraph?? This is getting into budget issues and is separate from the AESO increase... I think it just causes confusion and detracts from key message that this is about AESO transferring costs to us.

**Table 1: Components of average increase**

Component	Increase %	% of Total
Transmission	18.4%	92%
Distribution	1.6%	8%
Average increase	20.0%	100%

## 2. BALANCING POOL ALLOCATION REBATE

The Balancing Pool rebate is not proposed to change with this request since the 2014 amount has not been established. This will be addressed when the new information is made available.

## 3. LOCAL ACCESS FEE

The Local Access Fee ("LAF") is a separate line item within the DT and is a charge levied by the municipality to the electric utility as a franchise fee for the exclusive rights to use portions of road, rights-of-way and other city-owned properties and lands for the purpose of placing and maintaining electrical distribution facilities.

EL&P intends to maintain local access fee revenue at the same level as received in 2013. No change to the LAF rate in the tariff is proposed.

## 4. PROPOSED RATE ADJUSTMENT

The attached red-lined bylaw presents details of the proposed changes to our DT rates, specifically to Appendix A of Bylaw 3273/2000.

## 5. IMPACT ON CUSTOMERS

As mentioned, when compared to total transmission costs at the end of 2013, the impact on customers effective January 1, 2014 is expected to be a net reduction in their charges. The following figure showing transmission rates and rate rider progression for 2013 and 2014 illustrates how a net reduction is anticipated. With our current available information, the additional rate rider amount in 2014 is not known but is expected to be considerably lower than the last quarter of 2013.

Average charges per rate class are shown in Table 2 following the graph.



E61 Residential	\$5.96	12.7%	\$0.19	0.4%	(\$7.56)	(16.08%)	(\$1.41)	(3.0%)
E63 Small GS	\$19.32	13.6%	\$0.55	0.4%	(\$25.20)	(17.74%)	(\$5.33)	(3.8%)
E64 General Service	\$257.79	16.8%	\$6.37	0.4%	(\$315.00)	(20.49%)	(\$50.83)	(3.3%)
E78 Large GS	\$3,417.99	17.3%	\$66.55	0.3%	(\$5,040.00)	(25.48%)	(\$1,555.47)	(7.9%)

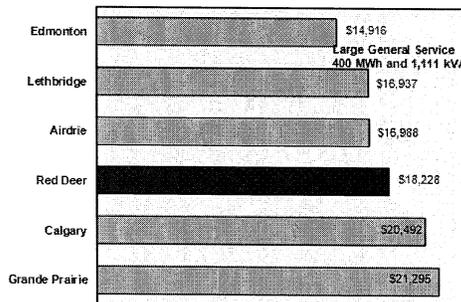
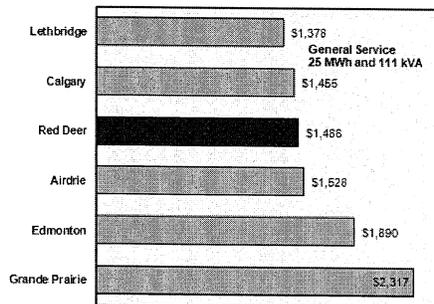
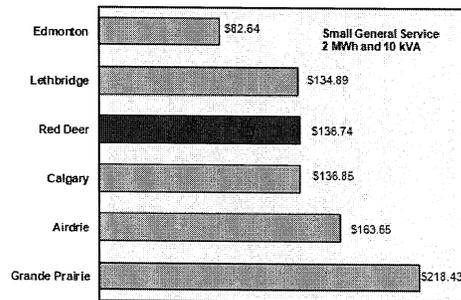
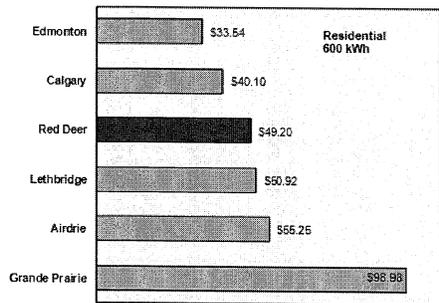
## 6. RATE COMPARISONS

This situation is not unique to Red Deer. All services and customers within the province are responsible for transmission costs in the same way. The result is that this particular issue does not impact our competitive standing within the province.

The following four graphs show the current monthly DT charges for typical customer classes in select service areas in the province. It should be noted that these graphs are for delivery charges only. Retailer charges, including the energy charge and billing charge, are not included.

The graphs show that with the recommended rate changes, the City will continue to remain competitive in the Alberta market.

Red Deer 2014 Proposed Rates Compared to  
Other Cities' October 2013 Rates



## Christine Kenzie

---

**From:** Andreas Zabel  
**Sent:** September 27, 2013 9:23 AM  
**To:** Christine Kenzie; Jim Jorgensen  
**Subject:** RE: Electric Utility Bylaw Amendment 3273/B-2013 - Appendix A - Distribution Tariff

Cover page and Appendix A looks good and correct.  
Thanks Christine.

Andreas Zabel  
Utility Specialist  
Electric Light & Power Department  
The City of Red Deer  
Ph 403-309-8449

---

**From:** Christine Kenzie  
**Sent:** September 27, 2013 9:11 AM  
**To:** Jim Jorgensen  
**Cc:** Andreas Zabel  
**Subject:** Electric Utility Bylaw Amendment 3273/B-2013 - Appendix A - Distribution Tariff  
**Importance:** High

<< File: Draft 3273B-2013 -Electric Utility Bylaw Amendment - Changes to Appendix A - DistributionTariff - Effective January 1 2014.doc >> << File: -#1418529-v1-Draft - 3273B-2013- Electric Utility Bylaw Amendment - Appendix A - Distribution Tariff - Rates Effective January 1 2014.doc >>

Attached is the bylaw cover page and amendment to Appendix A – Distribution Tariff – for the Electric Utility Bylaw for the September 30<sup>th</sup> Council Meeting additional agenda.

Please review and let me know if any changes required ASAP>

Thanks....

**Christine Kenzie | Corporate Meeting Coordinator**  
Legislative Services | The City of Red Deer  
D 403.356.8978 | F 403.346.6195  
[christine.kenzie@reddeer.ca](mailto:christine.kenzie@reddeer.ca)

## Christine Kenzie

---

**From:** Frieda McDougall  
**Sent:** September 25, 2013 7:19 PM  
**To:** Christine Kenzie  
**Subject:** my notes from agenda review today

ELP: These costs do not relate to the City but are flow through costs from AESO (spell out). This is an example of how expenditures sometimes increase significantly as a result of flow-through costs by other parties. → same as is

Relocation: I support administrations recommendation of a change in funding source. The initial plan would have resulted in higher interest rates than the City could obtain and thus this proposed funding source will actually result in an overall reduced cost to The City.

**Frieda McDougall** | Manager  
Legislative Services  
The City of Red Deer

T: 403-342-8136  
F: 403-346-6195

---

**From:** Jim Jorgensen  
**Sent:** September 26, 2013 9:24 AM  
**To:** Frieda McDougall  
**Cc:** Jackie Kurylo; Christine Kenzie; Lisa Perkins; Paul Goranson  
**Subject:** RE: Rate increase

Hi Frieda et al,

This is a request from Craig that came up during our budget review. You may want to touch base with Lisa since there are some "strategic" considerations.

As far as the legitimacy of taking this approach, it is definitely justifiable to take this significant rate increase being assessed by the AESO (the province) to our regulator for inclusion in our rates. Yes, the rate rider that was approved early this year gives us a tool to manage volatility. The intent of the rider is that we could manage the usual variances that occur throughout the year without having to always reassess and come back to Council for rate adjustments but this rate increase is a bit beyond a usual variance. Part of the rate rider conversation with Council was that we would / could come back to them if circumstances dictated.

Here are some key points that I see (pro and con):

1. This would continue to clearly separate the costs associated with the provincial transmission system (for which we have no real control over) from the costs associated with our own operations. It is an important concept that we must continue to establish.
2. It seems more appropriate and transparent to have formal AESO rate increases (which this is) included in the base rates we must charge our customers. The rate rider is more of a fine tuning tool.
3. There is likely some risk that current Council does not want to be burdened with establishing a significant rate increase right before election regardless of who or what is causing it. Even though this is clearly their responsibility as our regulatory body, it could also become very political.
4. There is possibly some risk that the public and / or potential new Council members might view this as "ramming" something through at the last minute. That is not the case and I agree that the timing is somewhat awkward but it is what it is - the AESO rate increase was just recently approved and we are now responding to it.
5. We can definitely delay a rate increase request until after budget discussions but there are issues associated with that approach as well.
  - a. Explaining a significant rate hike to a potentially large group of new Councilors before being able to provide some orientation about the industry and their role and responsibility as regulator will be very problematic. We always run the risk that someone may question why Council is allowed to be our regulator. It is likely a better conversation to have with the current Council since they have had three years or more exposure.
  - b. I'm sure Craig is sensitive to how and where the budget discussions will go regarding tax increases and utility rates so again, you might want to touch base with him / Lisa.

For your information, we will probably need one more time with Council before the end of the year to change the Balancing Pool. We just don't know the amounts involved yet - likely not until sometime around the end of October. That change will also need to be effective January 1<sup>st</sup>.

I am okay with either approach - both will have their issues and challenges. Give me a call if you would like to discuss further.

## Christine Kenzie

---

**From:** Elaine Vincent  
**Sent:** September 26, 2013 2:52 PM  
**To:** Jim Jorgensen  
**Cc:** Christine Kenzie; Frieda McDougall; Jackie Kurylo; Lisa Perkins; Paul Goranson; Dean Krejci  
**Subject:** Re: Rate increase

The point is we can't ask council to do something that was delegated to admin... Craig suggested the three readings because he forgot about the delegation to admin....

Please verify if rate ask is 100 percent for rate rider ... If it's rate rider only then approve and we will inform council... If the rate increases are for other areas then council must approve.

Sent from my iPhone

On Sep 26, 2013, at 2:45 PM, "Jim Jorgensen" <[Jim.Jorgensen@reddeer.ca](mailto:Jim.Jorgensen@reddeer.ca)> wrote:

It can be either but my understanding of Craig's request was to bring this particular rate increase to the current Council to address the new AESO rates rather than delaying it until after budget debate with the next Council in January.

Perhaps timing is a concern? We chose to bring this to the September 30<sup>th</sup> agenda so that the 3 readings could span the two remaining agendas for the current Council if necessary. If we can get 3 readings at one Council meeting then maybe we could put this on the October 15<sup>th</sup> agenda when Craig is back.

Helpful?

Jim

**The City of Red Deer**  
**Electric Light & Power**  
**Ph: 403-342-8341**  
**Fax: 403-314-5842**

---

**From:** Christine Kenzie  
**Sent:** September 26, 2013 1:41 PM  
**To:** Jim Jorgensen; Frieda McDougall  
**Cc:** Jackie Kurylo; Lisa Perkins; Paul Goranson; Elaine Vincent  
**Subject:** RE: Rate increase  
**Importance:** High

Elaine Vincent and Lisa Perkins met regarding this item this afternoon. Need clarification: if the increase is above and beyond the rate rider – then this should go to Council. If the increase can be handled within the rate rider – then this can be provided for Council's information and can wait until Craig is back.

Let me know how you wish to proceed.

**Christine Kenzie | Corporate Meeting Coordinator**  
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Jim  
The City of Red Deer  
Electric Light & Power  
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Fax: 403-314-5842

-----Original Message-----

From: Frieda McDougall  
Sent: September 25, 2013 7:25 PM  
To: Jim Jorgensen  
Cc: Jackie Kurylo; Christine Kenzie  
Subject: FW: Rate increase

Hi Jim. In the last bylaw amendment I recall there was a delegation by Council that enabled you to make rate changes in response to fluctuations without it going to Council...and ...you actually say that in your report. What I don't this is explained is why this is then coming before council - is it because of the increase in charges that are not rate related, eg your comments about DAC and the Local Access Fee. I think we need a bit more explanation in the report.

I'm out of the office until the 1st but can you please work through Jackie and Christine to ensure we have this right? Thanks.

Frieda McDougall | Manager  
Legislative Services  
The City of Red Deer

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>

> -----Original Message-----

> From: Jim Jorgensen  
> Sent: Wednesday, September 25, 2013 4:16 PM  
> To: Dean Krejci  
> Cc: Elaine Vincent; Lisa Perkins; Andreas Zabel; Farah Samani; Paul Goranson; Karen Yetter  
> Subject: RE: Rate increase

>

> I have attached a draft for your review / comment prior to submission. I am working on a couple of additional illustrations to help with the discussion with Council. I will need to have this to Christine Kenzie no later than Friday so feedback tomorrow would be appreciated. There is also an red lined version of our Distribution Tariff that will accompany the report...not including it here...just shows changes to the numbers.

>

> Call if you have questions.

>

> Thanks,

> JJ

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>

>

> -----Original Message-----

> From: Jim Jorgensen  
> Sent: September 24, 2013 8:55 AM

> To: Dean Krejci  
> Cc: Christine Kenzie; Elaine Vincent; Lisa Perkins  
> Subject: RE: Rate increase  
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finalize. Will send you the report for review as soon as we can.  
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> To: Jim Jorgensen  
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## Christine Kenzie

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**Sent:** September 26, 2013 2:46 PM  
**To:** Christine Kenzie; Frieda McDougall  
**Cc:** Jackie Kurylo; Lisa Perkins; Paul Goranson; Elaine Vincent; Dean Krejci  
**Subject:** RE: Rate increase

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Jim  
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> Call if you have questions.

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## Christine Kenzie

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Subject: FW: Rate increase

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I'm out of the office until the 1st but can you please work through Jackie and Christine to ensure we have this right? Thanks.

Frieda McDougall | Manager  
Legislative Services  
The City of Red Deer

T: 403-342-8136  
F: 403-346-6195

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> -----Original Message-----  
> From: Jim Jorgensen  
> Sent: Wednesday, September 25, 2013 4:16 PM  
> To: Dean Krejci  
> Cc: Elaine Vincent; Lisa Perkins; Andreas Zabel; Farah Samani; Paul Goranson; Karen Yetter  
> Subject: RE: Rate increase

>  
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> Call if you have questions.  
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> Thanks,  
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> Electric Light & Power  
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> Craig has decided to proceed with submitting the rate increase to Council for September 30 meeting. Please forward a copy to Elaine, Lisa & me. Thanks.  
>  
> Sent from my iPhone

## Christine Kenzie

---

**From:** Jim Jorgensen  
**Sent:** September 26, 2013 9:24 AM  
**To:** Frieda McDougall  
**Cc:** Jackie Kurylo; Christine Kenzie; Lisa Perkins; Paul Goranson  
**Subject:** RE: Rate increase

Hi Frieda et al,

This is a request from Craig that came up during our budget review. You may want to touch base with Lisa since there are some "strategic" considerations.

As far as the legitimacy of taking this approach, it is definitely justifiable to take this significant rate increase being assessed by the AESO (the province) to our regulator for inclusion in our rates. Yes, the rate rider that was approved early this year gives us a tool to manage volatility. The intent of the rider is that we could manage the usual variances that occur throughout the year without having to always reassess and come back to Council for rate adjustments but this rate increase is a bit beyond a usual variance. Part of the rate rider conversation with Council was that we would / could come back to them if circumstances dictated.

Here are some key points that I see (pro and con):

1. This would continue to clearly separate the costs associated with the provincial transmission system (for which we have no real control over) from the costs associated with our own operations. It is an important concept that we must continue to establish.
2. It seems more appropriate and transparent to have formal AESO rate increases (which this is) included in the base rates we must charge our customers. The rate rider is more of a fine tuning tool.
3. There is likely some risk that current Council does not want to be burdened with establishing a significant rate increase right before election regardless of who or what is causing it. Even though this is clearly their responsibility as our regulatory body, it could also become very political.
4. There is possibly some risk that the public and / or potential new Council members might view this as "ramming" something through at the last minute. That is not the case and I agree that the timing is somewhat awkward but it is what it is - the AESO rate increase was just recently approved and we are now responding to it.
5. We can definitely delay a rate increase request until after budget discussions but there are issues associated with that approach as well.
  - a. Explaining a significant rate hike to a potentially large group of new Councilors before being able to provide some orientation about the industry and their role and responsibility as regulator will be very problematic. We always run the risk that someone may question why Council is allowed to be our regulator. It is likely a better conversation to have with the current Council since they have had three years or more exposure.
  - b. I'm sure Craig is sensitive to how and where the budget discussions will go regarding tax increases and utility rates so again, you might want to touch base with him / Lisa.

For your information, we will probably need one more time with Council before the end of the year to change the Balancing Pool. We just don't know the amounts involved yet - likely not until sometime around the end of October. That change will also need to be effective January 1<sup>st</sup>.

I am okay with either approach - both will have their issues and challenges. Give me a call if you would like to discuss further.

Jim

The City of Red Deer  
Electric Light & Power  
Ph: 403-342-8341  
Fax: 403-314-5842

-----Original Message-----

From: Frieda McDougall  
Sent: September 25, 2013 7:25 PM  
To: Jim Jorgensen  
Cc: Jackie Kurylo; Christine Kenzie  
Subject: FW: Rate increase

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> Thanks,

> JJ

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THE CITY OF

**Red Deer**

September 30, 2013

## Revision to Distribution Tariff Effective January 1, 2014

Electric Light and Power

### **Report Summary & Recommendation:**

---

The Electric Light & Power Department is recommending Council's approval of revisions to the Distribution Tariff, Appendix A, Electric Utility Bylaw No. 3273/2000 to accurately reflect an increase in provincial transmission costs.

It is recommended that City Council provide all three readings at the Council meeting on September 30, 2013 for final approval of the proposed revisions to "Appendix A – Distribution Tariff" of the Electric Utility Bylaw No. 3273/2000 as detailed in the attachment with the effective date being January 1, 2014.

### **City Manager Comments:**

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LGS Only - City Manager Comments

### **Proposed Resolution**

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LGS Only - Proposed Resolutions

DRAFT

## Report Details

### Background:

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The EL&P department, as the operator of the electric distribution system in Red Deer, recovers the cost of operating and maintaining the utility through its Distribution Tariff ("DT"), which is regulated and approved by City Council. For the purposes of this report, there are essentially two key components of the DT:

1. Distribution Access Charges (DAC) which are the costs associated with EL&P's regular operation and maintenance of the distribution system within Red Deer.
2. System Access Charges (SAC) which are the costs associated with building, operating and maintaining the provincial transmission system.

This request deals specifically with the transmission related costs.

The Alberta Electric System Operator (AESO) has recently received approval to increase their rates effective October 1, 2013. It is the EL&P department's responsibility to collect all transmission costs from our customers on behalf of the AESO. There are two ways in which the costs can be recovered:

1. Through rates established by the department and approved by Council as the utility's regulator. These are set on an as needed basis – typically annually but can be more frequent if circumstances dictate.
2. Through the transmission rate rider established by Council at the start of 2013. This is reviewed and set on a quarterly basis to properly manage volatility associated with several aspects of the provincial transmission costs. There was an initial base amount established to collect under-recoveries in 2011 and 2012.

### Discussion:

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#### I. IMPACT ON DISTRIBUTION TARIFF & TRANSMISSION RATE RIDER

The AESO's transmission costs will be increasing by 35% beginning October 1, 2013. The transmission component of our costs will now account for approximately 48% of our total budget and as a result, EL&P is recommending a 20% increase to its base rates effective January 1, 2014. The delay in implementation is due to timing and billing requirements. For the period of October 1<sup>st</sup> through the end of 2013, we will be using the transmission rate rider to ensure the costs are collected appropriately.

Throughout 2013, the rate rider has allowed the department to efficiently and effectively manage unpredictability and volatility associated with the AESO costs on a quarterly basis which ensures the appropriate costs are collected from the appropriate customers in a timely manner.

#### EL&P Costs



For the last quarter of 2013, the rate rider will be used to collect the recent rate increase plus any additional unbudgeted costs charged by the AESO as per our regular practice. If the new DT rates are established as requested, EL&P will reset the rate rider to the original base amount plus whatever new AESO charges are incurred, if any, effective January 1, 2013. The expectation is that customers will likely see an overall decrease in total transmission charges (tariff rate + rider) in 2014 compared to the end of 2013.

EL&P does not intend to increase its tariff for local distribution costs until the operating budget process with Council has been completed in January. However, as shown in Table 1, there is a nominal distribution component (DAC) impact that results from this change in transmission costs. It is driven by how certain costs are allocated and how reserve balances need to be managed.

**Table 1: Components of average increase**

Component	Increase %	% of Total
Transmission	18.4%	92%
Distribution	1.6%	8%
Average increase	20.0%	100%

## 2. BALANCING POOL ALLOCATION REBATE

The Balancing Pool rebate is not proposed to change with this request since the 2014 amount has not been established. This will be addressed when the new information is made available.

## 3. LOCAL ACCESS FEE

The Local Access Fee ("LAF") is a separate line item within the DT and is a charge levied by the municipality to the electric utility as a franchise fee for the exclusive rights to use portions of road, rights-of-way and other city-owned properties and lands for the purpose of placing and maintaining electrical distribution facilities.

EL&P intends to maintain local access fee revenue at the same level as received in 2013. No change to the LAF rate in the tariff is proposed.

## 4. PROPOSED RATE ADJUSTMENT

The attached red-lined bylaw presents details of the proposed changes to our DT rates, specifically to Appendix A of Bylaw 3273/2000.

## 5. IMPACT ON CUSTOMERS

As mentioned, when compared to total transmission costs at the end of 2013, the impact on customers effective January 1, 2014 is expected to be a net reduction in their charges.

**Table 2. Average Impact on Customers for monthly DT charges including rider (end of 2013 vs. start of 2014)**

Rate Class	DT Charge		Local Access Fee		Transmission Rider		Total Change	
	\$	%	\$	%	\$	%	\$	%
E61 Residential	\$5.96	12.7%	\$0.19	0.4%	(\$7.56)	(16.08%)	(\$1.41)	(3.0%)
E63 Small GS	\$19.32	13.6%	\$0.55	0.4%	(\$25.20)	(17.74%)	(\$5.33)	(3.8%)
E64 General Service	\$257.79	16.8%	\$6.37	0.4%	(\$315.00)	(20.49%)	(\$50.83)	(3.3%)
E78 Large GS	\$3,417.99	17.3%	\$66.55	0.3%	(\$5,040.00)	(25.48%)	(\$1,555.47)	(7.9%)

## 6. RATE COMPARISONS

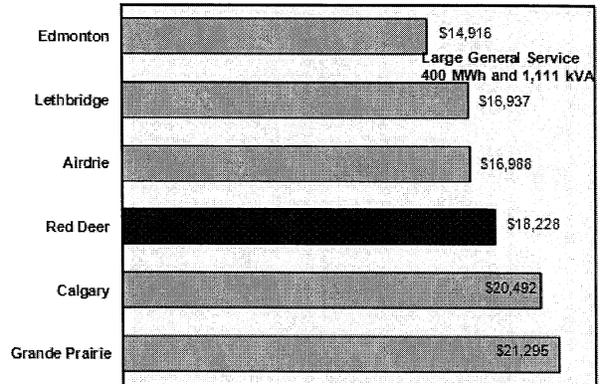
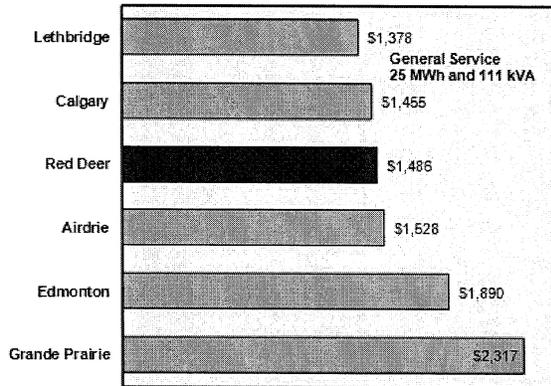
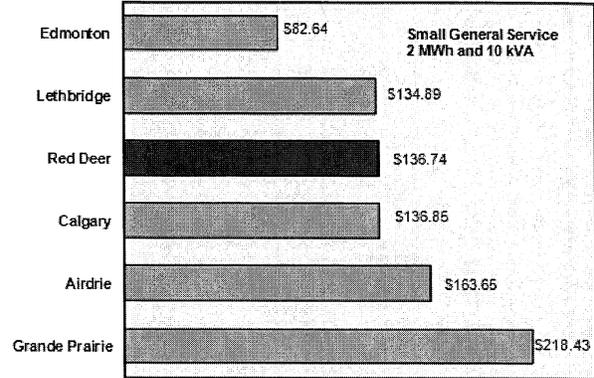
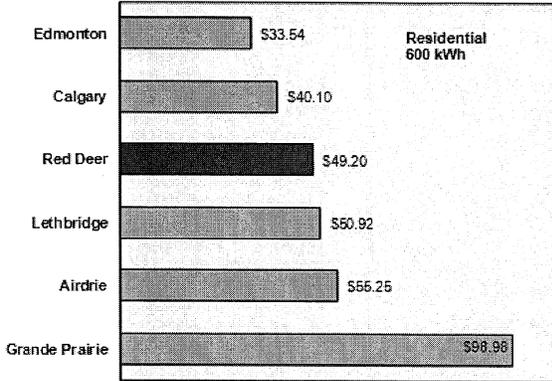
This situation is not unique to Red Deer. All services and customers within the province are responsible for transmission costs in the same way. The result is that this particular issue does not impact our competitive standing within the province.

The following four graphs show the current monthly DT charges for typical customer classes in select service areas in the province. It should be noted that these graphs are for delivery charges only. Retailer charges, including the energy charge and billing charge, are not included.

The graphs show that with the recommended rate changes, the City will continue to remain competitive in the Alberta market.

DRAFT

Red Deer 2014 Proposed Rates Compared to  
Other Cities' October 2013 Rates



## Christine Kenzie

---

**From:** Frieda McDougall  
**Sent:** September 25, 2013 7:25 PM  
**To:** Jim Jorgensen  
**Cc:** Jackie Kurylo; Christine Kenzie  
**Subject:** FW: Rate increase  
**Attachments:** Council Report - January 1 2014 DT Rate Increase - DRAFT JJ September 25....docx

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> Sent from my iPhone

## Christine Kenzie

---

**From:** Elaine Vincent  
**Sent:** September 25, 2013 7:14 PM  
**To:** Frieda McDougall  
**Cc:** Christine Kenzie; Jackie Kurylo  
**Subject:** Re: Rate increase

So is your team following up with Jim then... I think he may be thinking he is following Craig's direction and so he has too...

Sent from my iPhone

> On Sep 25, 2013, at 7:04 PM, "Frieda McDougall" <[Frieda.McDougall@reddeer.ca](mailto:Frieda.McDougall@reddeer.ca)> wrote:

>

> Christine and I wondered the same thing...we reviewed the bylaw today and I feel they have the authority to adjust with fluctuations...and he actually says that in his report. What he doesn't explain is why this is then before council - is it because of the increase in charges that are not rate related, eg his comments about DAC and the Local Access Fee.

>

> Frieda McDougall | Manager

> Legislative Services

> The City of Red Deer

>

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>

> -----Original Message-----

> From: Elaine Vincent

> Sent: September 25, 2013 4:58 PM

> To: Frieda McDougall

> Cc: Christine Kenzie

> Subject: FW: Rate increase

>

> My brain is playing tricks on me.... in the bylaw didn't we delegate the authority for determination of the rate for the rate rider to administration?? Do we require council approval? Or did we change this??

>

> Please remind me....

>

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## Christine Kenzie

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**Sent:** September 25, 2013 8:22 AM  
**To:** Christine Kenzie; Dean Krejci  
**Cc:** Elaine Vincent; Lisa Perkins; Jackie Kurylo  
**Subject:** RE: Rate increase

Thanks for the heads up Christine.

We got things pretty much ready yesterday but there is still some word-smithing required. I have a morning commitment with AltaLink (9am - 11am) but am planning to finalize the draft report for review this afternoon. Still thinking of best approach for presentation and discussion with Council.

Call if you have any questions.

Jim

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Electric Light & Power  
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**Sent:** September 25, 2013 8:14 AM  
**To:** Jim Jorgensen; Dean Krejci  
**Cc:** Elaine Vincent; Lisa Perkins; Jackie Kurylo  
**Subject:** RE: Rate increase

Will need to get this out to Council as an additional agenda on Friday, September 27th - early afternoon - latest.

Thanks.

Christine Kenzie | Corporate Meeting Coordinator  
Legislative Services | The City of Red Deer  
D 403.356.8978 | F 403.346.6195  
[christine.kenzie@reddeer.ca](mailto:christine.kenzie@reddeer.ca)

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