



AltaLink Management Ltd.

2021-2023 Tariff Refund

March 15, 2021



Alberta Utilities Commission

Decision 26248-D01-2021
AltaLink Management Ltd.
2021-2023 Tariff Refund
Proceeding 26248

March 15, 2021

Published by the:

Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282 in Alberta)
1-833-511-4AUC (1-833-511-4282 outside Alberta)

Email: info@auc.ab.ca

Website: www.auc.ab.ca

The Commission may, within 30 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

Contents

1	Decision summary	1
2	Decision	1
3	Order	2
	Appendix 1 – Proceeding participants	3
	Appendix 2 – Summary of Commission directions	4

1 Decision summary

1. This decision reflects the Alberta Utilities Commission's determination following its review of AltaLink Management Ltd.'s (AltaLink's or AML's) 2021-2023 tariff refund application. The Commission does not accept AltaLink's proposal as applied for, and consequently, has revised the amount of the tariff refund and the period of time over which the refund will be made. The Commission has accepted the Rider C method and the timing of the implementation of the tariff refund as outlined by the Alberta Electrical System Operator (AESO).

2. In light of the AESO's required time frame for implementation in the second quarter of 2021,¹ the Commission has decided to release its decision on AltaLink's 2021-2023 tariff refund application with reasons to follow in a subsequent decision to be issued shortly.

2 Decision

3. The Commission finds a 2021 tariff refund in the amount of \$230 million,² which results in a net 2021 tariff reduction in the amount of \$223,512,781,³ to be just and reasonable. This will provide Alberta ratepayers with immediate, albeit temporary rate relief in 2021. The approved 2021 tariff reduction amount includes a refund of \$150 million of previously collected future income tax (FIT) and a refund of \$80 million of accumulated depreciation surplus.

4. The Commission directs AltaLink to adjust its 2021 tariff by the amount of \$230 million, which results in a net 2021 tariff reduction in the amount of \$223,512,781 to be implemented effective April 1, 2021. This net tariff reduction results in a revised 2021 net monthly tariff of \$45,851,942⁴ for April through December 2021.

5. The Commission concurrently directs the AESO to utilize Rider C to pass through the net 2021 tariff reduction of \$223,512,781 commencing in the second quarter of 2021. The Commission further grants the AESO relief from subsection 2(3) of Rider C such that the AESO is not required to publish the \$223,512,781 credit at least 30 days prior to the beginning of the

¹ Exhibit 26248-X0085, AESO argument, paragraph 6.

² Exhibit 26248-X0089, AML reply argument, Table 1, row 2(a), PDF page 10.

³ Exhibit 26248-X0091, AML reply argument, Appendix C revised, AltaLink 2021 Tariff Reconciliation Summary for AUC Tariff Refund Alternatives, row (i)a, PDF page 2. Refunding FIT increases the mid-year no cost capital balance and therefore increases return on rate base. Refunding accumulated depreciation increases AltaLink's mid-year rate base and therefore increases return on rate base. The difference in 2021 of \$6,487,219 between the \$230,000,000 refund and the \$223,512,781 tariff reduction comprises \$2,870,469 for increased return on debt and \$3,616,750 for increased return on equity.

⁴ Exhibit 26248-X0091, AML reply argument, Appendix C revised, AltaLink 2021 Tariff Reconciliation Summary for AUC Tariff Refund Alternatives, row (i)a, PDF page 2.

second quarter. This exemption permits the AESO to amend any existing published amounts, as needed.

3 Order

6. It is hereby ordered that:

- (1) AltaLink Management Ltd. shall reflect the direction in this decision to effect a net 2021 tariff refund of \$223,512,781, effective April 1, 2021, and a revised net monthly tariff for April to December 2021 in the amount of \$45,851,942.

Dated on March 15, 2021.

Alberta Utilities Commission

(original signed by)

Douglas A. Larder, QC
Acting Commission Member

(original signed by)

Kristi Sebalj
Commission Member

(original signed by)

Vera Slawinski
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
AltaLink Management Ltd. (AltaLink or AML) Borden, Ladner Gervais LLP
Alberta Direct Connect Consumers Association
Consumers' Coalition of Alberta
Energy Associates International
Alberta Electric System Operator (AESO)
Industrial Power Consumers Association of Alberta
Office of the Utilities Consumer Advocate Brownlee LLP

<p>Alberta Utilities Commission</p> <p>Commission panel</p> <p style="padding-left: 20px;">D.A. Larder, QC, Acting Commission Member</p> <p style="padding-left: 20px;">K. Sebalj, Commission Member</p> <p style="padding-left: 20px;">V. Slawinski, Commission Member</p> <p>Commission staff</p> <p style="padding-left: 20px;">J. Graham (Commission counsel)</p> <p style="padding-left: 20px;">L. Mullen</p> <p style="padding-left: 20px;">C. Strasser</p> <p style="padding-left: 20px;">D. Ward</p> <p style="padding-left: 20px;">D. Mitchell</p>

Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. The Commission directs AltaLink to adjust its 2021 tariff by the amount of \$230 million, which results in a net 2021 tariff reduction in the amount of \$223,512,781 to be implemented effective April 1, 2021. This net tariff reduction results in a revised 2021 net monthly tariff of \$45,851,942 for April through December 2021. paragraph 4
2. The Commission concurrently directs the AESO to utilize Rider C to pass through the net 2021 tariff reduction of \$223,512,781 in the second quarter of 2021. The Commission further grants the AESO relief from subsection 2(3) of Rider C such that the AESO is not required to publish the \$223,512,781 credit at least 30 days prior to the beginning of the second quarter. This exemption permits the AESO to amend any existing published amounts, as needed. paragraph 5