

**QUESTION & ANSWER DOCUMENT**  
**2005.6 DT AND 2005 RRT APPLICATION TO THE EUB**  
**January 17, 2005**

**Background**

ENMAX Power's rates to operate and maintain the electricity system that delivers power to customers is regulated by the Alberta Energy and Utilities Board (EUB). As well, ENMAX Power must provide a regulated rate to residential and small commercial customers for electricity service. ENMAX Power contracts ENMAX Energy to provide the regulated rate service on its behalf.

On January 14, 2005 ENMAX applied to the EUB for its 2005/2006 Distribution Tariff (DT) and the 2005 Regulated Rate Tariff (RRT) for ENMAX customers in the Calgary area.

**Key Messages**

- Today ENMAX applied for a one per cent increase (approximately 70 cents) to \$69 per month for typical 2005 residential customers bills compared to December 2004 bills of \$68.30.
- This application is part of the public process required by the EUB for regulated utilities.
- Current rates will be in place on an interim basis until the EUB makes a decision on the rate applications later in 2005.

**Questions and Answers**

**1. Is ENMAX looking for an increase on its DT and RRT? If yes, why?**

ENMAX is applying for no increase on the DT for 2005 and for a three per cent increase in 2006. The increase covers operational and capital requirements to maintain a safe, reliable and cost-effective system, and to comply with changing system requirements within the deregulated market.

ENMAX is also applying for an overall increase in RRT of approximately one per cent (which includes an increase of margin of six per cent). The RRT includes an administration (non-energy) charge and an energy charge. The administration charge covers activities associated with customer care and billing. The energy charge covers the cost of electricity and the cost to secure electricity for customers.

**2. Didn't ENMAX just have a rate increase?**

No, in fact, overall ENMAX's rates have recently decreased as a result of compliance with EUB directives and the removal of the 2000 Deficiency Rider.

**3. What are Regulated Rate Tariffs?**

Regulated Rate Tariffs (RRT) are rates and terms of service that an electricity provider follows to bring electricity service to residential, farm and small commercial customers. These rates and terms of service are approved by the EUB. The customers also have the option to purchase electricity service from other retailers in the competitive marketplace.

**4. Who provides service under the RRT?**

The owner of the local distribution system is required to provide the RRT to eligible customers in their service area. They may carry out this function themselves or contract

to another party. ENMAX Power has assigned ENMAX Energy to provide RRT service in the Calgary area.

**5. Who is eligible?**

The RRT is available to residential, small and medium commercial, farm and irrigation customers. (For customers who use less than 250,000 kilowatt hours of electricity per year).

**6. Why is it necessary?**

The RRT was developed by the Alberta government in order to give the retail market for smaller customers time to develop. It gives consumers time to learn about Alberta's restructured electricity marketplace before considering a retail contract.

**7. What are Distribution Tariffs (DT)?**

The Distribution Tariff sets out charges the Wires Service Provider (WSP) requires to ensure safe and reliable electricity through its distribution system. It also includes the distribution system access fees WSPs pay to the Alberta Electric System Operator (AESO) for use of the provincial transmission system.

**8. Who sets the RRT and DT for ENMAX?**

For Calgary area customers, the RRT and DT are regulated by the Alberta Energy and Utilities Board (EUB). In other areas of the province where ENMAX has contracts to provide RRT service, such as Red Deer, Lethbridge and several smaller southern Alberta communities, the RRTs and DTs are regulated by those municipal governments.

**9. What is the process?**

The utility sends in its rate application(s) to the EUB. Applications are then examined by intervenors. Final rate prices are determined through negotiations with consumer advocates or through a public hearing process. The entire process can take anywhere from six to twelve months. The EUB provides a schedule of public hearings on their website at [www.eub.gov.ab.ca](http://www.eub.gov.ab.ca) .

**10. When will the EUB make its decision?**

After the public process is complete, the EUB will make its decision. We anticipate receiving the EUB's decision in the latter half of 2005.

**11. Does ENMAX offer any options to customers other than the RRT?**

Yes, ENMAX Energy offers the stability of fixed-price, variable term electricity contracts to all residential and small commercial customers in Alberta.

**12. What is the current ENMAX residential RRT energy charge in the different ENMAX areas?**

Municipality	2004 Energy Charge (cents/kWh)	2005 Energy Charge (cents/kWh)
Calgary	6.088	5.815*
Lethbridge	6.473	6.084
Cardston	6.014	5.970
Crowsnest Pass	6.014	5.970
Fort Macleod	6.014	5.970
Red Deer	6.080	5.970

\*This number does not reflect the ENMAX 2005 RRT application. It is an interim rate.

**13. How does ENMAX's application compare to other utilities around the province?**

We can't speak to other utilities applications - you would need to ask them.

**14. How do ENMAX's current rates for residential customers compare to other utilities rates?**

For a comparison of electricity retailer rates, visit the Government of Alberta's customer choice website at [www.customerchoice.gov.ab.ca](http://www.customerchoice.gov.ab.ca) .