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February 7, 2019

RE: Approved FortisAlberta 2019 Distribution Rates

As a follow up to our correspondence of Sept. 25, 2018, FortisAlberta has received approval from the Alberta Utilities Commission (AUC) for FortisAlberta's distribution rates, effective January 1, 2019. In addition, the AUC has approved transmission rider rates effective January 1, specifically the Balancing Pool Allocation Rider, Base Transmission Adjustment Rider and the Quarterly Transmission Adjustment Rider. FortisAlberta flows through and collects all transmission costs as billed by the Alberta Electric System Operator (AESO) as approved by the AUC.

The attached chart illustrates the estimated percentage and monetary changes for each rate class based on estimated consumption and demands between your December 2018 and January 2019 bundled bill from your retailer. The bundled bill percentages indicated on the attached chart will vary slightly compared to the version you would have received in September, as it reflects the transmission rider rate adjustments.

In addition, adjustments were approved by the AUC for the Maximum Investment Levels effective January 1, 2019. The chart reflecting these approved levels is also included in this correspondence.

We thank you for the opportunity to advise you of these matters and invite you to contact me or your Stakeholder Relations Manager at any time should you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Hunka".

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**Average Monthly Bill Impacts by Rate Class
Including Energy, Retail, Distribution, Transmission and Rates & Riders**

Rate	Rate Class Description	Consumption Usage	Demand Usage	Monthly/Seasonal Bill			
				Dec 2018 Bill	Jan 2019 Bill	\$ Difference	% Change
11	Residential	300kWh		\$ 70.31	72.16	\$ 1.85	2.6%
		640kWh		115.53	117.67	\$ 2.14	1.9%
		1200kWh		189.98	192.66	\$ 2.68	1.4%
21	FortisAlberta Farm	900kWh	5kVA	\$ 183.98	178.07	\$ (5.91)	-3.2%
		1,400kWh	10kVA	305.75	295.65	\$ (10.10)	-3.3%
		7,500kWh	25kVA	1,173.54	1,138.10	\$ (35.44)	-3.0%
26	FortisAlberta Irrigation	6,000kWh	20kW	\$ 1,647.98	1,782.60	\$ 134.62	8.2%
		14,518kWh	33kW	3,411.60	3,737.66	\$ 326.06	9.6%
		45,000kWh	100kW	10,445.90	11,456.60	\$ 1,010.71	9.7%
31	Street Lighting (Investment)	5,144kWh	12,500W	\$ 2,804.80	2,974.38	\$ 169.59	6.0%
33	Street Lighting (Non-Investment)	7,900kWh	20,000W	1,527.70	1,637.00	\$ 109.30	7.2%
38	Yard Lighting	5,000kWh	12,000W	1,827.32	1,940.92	\$ 113.60	6.2%
	Based on 100 HPS Lights in assorted fixture wattages						
41	Small General Service	1,083kWh	5kW	\$ 197.43	198.91	\$ 1.48	0.7%
		2,165kWh	10kW	372.38	374.83	\$ 2.45	0.7%
		10,825kWh	50kW	1,771.97	1,782.18	\$ 10.20	0.6%
44/45	Oil & Gas Service	2,590kWh	7.5kW	\$ 434.58	419.90	\$ (14.68)	-3.4%
		5,179kWh	15kW	839.19	811.11	\$ (28.07)	-3.3%
		25,895kWh	75kW	4,010.42	3,878.71	\$ (131.71)	-3.3%
61	General Service	32,137kWh	100kW	\$ 3,718.66	3,661.84	\$ (56.82)	-1.5%
		63,071kWh	196kW	6,928.10	6,833.64	\$ (94.45)	-1.4%
		482,055kWh	1500kW	47,344.65	46,766.36	\$ (578.29)	-1.2%
63	Large General Service	824,585kWh	2500kW	\$ 85,610.13	83,701.39	\$ (1,908.74)	-2.2%
		1,529,769kWh	4638kW	144,198.00	141,909.17	\$ (2,288.83)	-1.6%
		3,298,338kWh	10,000kW	301,473.62	298,231.56	\$ (3,242.07)	-1.1%

Notes:

As approved by the Alberta Utilities Commission in Decision 23893-D01-2018 on December 19, 2018

Riders Included:

- Municipal Franchise Fees
- Municipal Assessment Rider (0.94% on July 1, 2018)
- 2019 Base Transmission Adjustment Rider
- 2018 Q4 & 2019 Q1 Quarterly Transmission Adjustment Rider
- 2019 Balancing Pool Allocation Rider

Retail / Energy Price Assumptions:

- Rates 11 thru 44 -- January 2018 to December 2018 Average EPCOR Regulated Rate Tariff
- Rates 61 & 63 -- November 2017 to October 2018 Average EPCOR Default Supply Rates

APPENDIX “B” – CUSTOMER CONTRIBUTIONS SCHEDULES

**Table 1
Maximum Investment Levels for Distribution Facilities
When the Investment Term is 15 years or more**

Type of Service	Maximum Investment Level
Rate 11 Residential	\$2,556 per service
Rate 11 Residential Development	\$2,556 per service, less FortisAlberta’s costs of metering and final connection
Rate 21 FortisAlberta Farm and Rate 23 Grain Drying	\$5,799 base investment, plus \$830 per kVA of Peak Demand
Rate 26 Irrigation	\$5,799 base investment, plus \$923 per kW of Peak Demand
Rate 38 Yard Lighting	\$825 per fixture
Rate 31 Street Lighting (Investment Option)	\$2,985 per fixture
Rate 41 Small General Service	\$5,799 base investment, plus \$923 per kW of Peak Demand
Rate 45 Oil and Gas Service	\$5,799 base investment, plus \$923 per kW of Peak Demand FortisAlberta invests as required per unmetered to metered service conversion program.
Rate 61 General Service (less than or equal to 2 MW)	\$5,799 base investment, plus \$923 per kW for the first 150 kW, plus \$116 for additional kW of Peak Demand
Rate 63 Large General Service (over 2 MW) (Distribution Connected)	\$104 per kW of Peak Demand, plus \$115 per metre of Customer Extension

Maximum investment levels are reduced if the expected Investment Term is less than 15 years, as specified in Table 2.

Proposed 2019 Annual Rate Adjustments filed September 10, 2018

Effective: January 1, 2019 as approved in Decision 23893-D01-2018