

February 16, 2016

**Filed on eFiling**

Alberta Utilities Commission  
400, 425 – 1<sup>st</sup> Street SW  
Calgary, Alberta T2P 3L8

**Attention: Mr. Blair Miller**  
**Executive Director, Rates**

Dear Mr. Miller:

**Re: AltaLink Management Ltd., in its capacity as general partner of AltaLink, L.P., (AltaLink)**  
**2017-2018 General Tariff Application**

AltaLink is hereby filing with the Alberta Utilities Commission (Commission) its General Tariff Application (GTA) for the Test Period commencing January 1, 2017 through to December 31, 2018.

AltaLink's GTA consists of eleven files:

1. The Application and evidence filed in support of the Application
2. Appendices 1 to 3
3. Appendices 4A, 4B, and 4C
4. Appendices 4D, 4E, and 4F
5. Appendix 4G
6. Appendix 5
7. Appendices 6-8
8. Appendices 9-12
9. Appendix 13
10. Appendices 14-20
11. The MFR schedules (in Excel format)

**Tariff Relief**

This Application continues the tariff relief measures proposed in AltaLink's 2015-2016 GTA (Proceeding 3524) resulting in additional tariff relief of \$210M for 2017-2018.

**Proceeding Schedule**

AltaLink is filing this Application in February, 2016, to address ongoing concerns of customers, interveners and rating agencies with regulatory lag. Regulatory lag is also a primary concern for AltaLink. With this filing, AltaLink is targeting to have its 2017 revenue requirement decided prior to the commencement of 2017. AltaLink anticipates that it can return to a normalized time frame as outlined in Bulletin 2015-09: *Performance standards for processing rate related applications*, where a "Full Cycle" of an application for a full process proceeding is 235-295 days (approximately 8-10 months). AltaLink looks forward to working with the Commission and interveners to implement any regulatory efficiencies that can be achieved with this Application.

AltaLink does not believe that the matters included in this Application are complex. AltaLink introduced novel rate relief measures in its 2015-2016 GTA which are significant. AltaLink also requested a target 13% FFO/debt level. This Application reflects the ongoing implementation of those measures requested in the 2015-2016 GTA. AltaLink will be guided by the Commission's decision in that application.

AltaLink recognizes that the decision on the 2015-2016 GTA has not yet been rendered. Once that decision is issued, AltaLink will promptly file an update to this Application to reflect all changes required

in order to comply with that decision, including the tariff relief measures proposed in the 2015-2016 GTA and carried forward in this Application.

### **Tariff Relief Assumption**

This Application continues the various elements of AltaLink's transmission tariff relief included in its 2015-2016 GTA:

- discontinuation, effective January 1, 2015, of the collection of CWIP-in-Rate Base amounts and the return to allowance for funds used during construction accounting;
- refund of the previously collected 2011 to 2014 CWIP-in-Rate Base amounts evenly over 2015 and 2016;
- discontinuation, effective January 1, 2016, of the future income tax (FIT) method of collecting Federal and Provincial income taxes and the conversion to the flow-through method together with a 2% equity ratio increase in 2016 given that AltaLink is forecasting to be not currently taxable commencing in 2015 and for the foreseeable future; and
- refund of the accumulated FIT liability account balance beginning in 2016, with the remainder committed to be refunded in 2017.

### **2017-2018 GTA**

This Application contains the following elements:

- Transmission Tariffs of \$853.2M and \$989.5M in 2017 and 2018, respectively, which includes \$944.1M and \$989.5M of Revenue Requirement for 2017 and 2018;
- tariff relief of \$90.9M in 2017 to refund future income tax liability;
- discontinuation of collection of future income tax resulting in a further reduction of \$119.1M;
- the 2017 and 2018 Transmission Facility Owner Tariff, including the Terms and Conditions of Service pursuant to which the AESO will use AltaLink's transmission facilities;
- AltaLink's deferral accounts for the Test; and
- AltaLink's reserve accounts for the Test.

If you have any questions or require additional information regarding the Application, please contact the undersigned at (403) 267-3450.

Communications in respect of the Application may be sent to:

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Yours truly,

*(Original signed by)*

Zora Lazic  
Senior Vice President Law & Regulatory, General Counsel

Attachments