



2007 Rates Stakeholder Consultation


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Stakeholder Meeting
September 14, 2005 — Calgary



Agenda

- 2006 approved rates
- Consultation scope and goals
- Matters addressed in EUB decision
- Matters required by Transmission Regulation
- Refinements to *Wires Cost Causation Study*
- Need for additional rate classes
- Rate structure
- Next steps
- Discussion and questions


2



2006 Approved Rates

- DTS — postage-stamp load rate
 - Wires unbundled into bulk, local, and point of delivery charges
 - Ancillary services unbundled into operating reserve, voltage control, and other system support services charges
- FTS — Fort Nelson load rate based on DTS
- DOS — postage-stamp opportunity rates
 - Not specifically cost-based
 - 7 Minutes, 1 Hour, and Term, reflecting different curtailment priorities

3



2006 Approved Rates (cont'd)

- STS — postage-stamp supply rate
 - Includes only location-specific loss charges
- EOS and IOS — export and import opportunity services
 - Being developed in separate export, import, and merchant interconnection tariff consultation
- PSC — Primary Service Credit
- UFLS — Under-Frequency Load Shedding Credit

4




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Consultation Scope

- 2006 approved rates as starting point
 - Approved by EUB in AESO 2005-2006 GTA decision
 - To be finalized in re-filing by October 1, 2005
- Not an opportunity to revisit matters which have been fully argued and addressed in EUB decision
- Will need to align with 2007 terms and conditions consultation

5




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Consultation Goals

- Address matters raised for future consultation in 2005-2006 GTA
 - Refinements to wires cost causation study
 - Need for additional rate classes
- Assess structure of rates
- Reach agreement on what rates and rate structures should be filed in 2007 GTA
 - Possibly indicate additional work required for 2008-2009 GTA
- Other?

6




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Matters Addressed in EUB Decision on 2005-2006 GTA

- Unbundling of wires costs
- Cost classification based on cost causation
 - *Transmission Cost Causation Study*
- Utilization of both coincident and non-coincident demand as billing quantities
- Specific rate for Fort Nelson load
- Primary Service Credit to replace Customer-Owned Substation (COS) Credit
- Retention of DOS 1 Hour rate

7




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Matters Required by Transmission Regulation

- Rates for use of the interconnected electric system by merchant line users [subsection 15(6)], being developed in separate process
- Rates for export [subsection 30(a)], being developed in separate process

8




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Refinements to *Wires Cost Causation Study*

- Conduct further study of peak coincidence on bulk system lines
- Assess whether TFO operations and maintenance costs should be treated differently than TFO capital costs
- Conduct further study of POD costs
- Other?

9




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Need for Additional Rate Classes

- “Postage-stamp” requirements of s. 30(3) of Electric Utilities Act
 - “The rates set out in the tariff...shall not be different...as a result of the location of those systems or persons on the transmission system”
- Standby or backup supply rate
 - Bulk system charges now primarily based on coincident demand
 - EUB cautioned in Decision 2005-096 that standby customers must remain responsible for local system and POD costs

10




Need for Additional Rate Classes

(cont'd)

- Separate DISCO rate class
 - DISCO vs. non-DISCO?
 - Single-user vs. multiple-user?
 - Urban vs. rural?
- Other?
- Any separate rate class would require separate and defensible allocation of costs to that class

11




Rate Structure

- 2006 DTS rate unbundled into:

— Wires bulk system	31%
— Wires local system	13%
— Wires point of delivery	31%
— Operating reserve	15%
— Voltage control (transmission must-run)	9%
— Other system support services	1%
— Power factor deficiency charge	0%
- Is further unbundling required?


12



Rate Structure (cont'd)

- Changes approved for 2006
 - coincident demand billing determinant for bulk system
 - 90% 2-year ratchet on demand billing determinant for local system and POD
- Other billing determinants changes?


13



Next Steps

- EUB decision went to endpoint in one step
- How much additional consultation is needed for 2007 GTA?
- Process for further consultation
 - Group or individual consultation?
 - Meetings or written submissions?

14



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Next Steps (cont'd)

- Proposed schedule:
 - mid-Sep 2005-2006 GTA refiling
 - Oct 5 AESO discussion paper
 - Oct 19 Stakeholder comments
 - Oct 26 AESO responses
 - Nov 2 Stakeholder consultation meeting
 - Nov 9 AESO discussion paper
 - Nov 23 Stakeholder comments
 - Dec 15 Filing of rates in 2007 GTA

15



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Discussion and Questions

- Possibility of partial or full negotiated settlement of 2007 rates?

16



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17

