



July 14, 2005

Sent via e-mail

Interested Parties

AESO 2003 Deferral Account Reconciliation

Dear Stakeholder:

Re: **AESO 2004 Deferral Account Cut-Off Date and Post Cut-Off Adjustment Process**
AESO 2006 Prospective Deferral Account Rider Methodology

On June 7, 2005, the Alberta Electric System Operator (AESO) met with stakeholders to discuss the 2004 deferral account cut-off date and related matters (in the morning) and the 2006 prospective deferral account rider methodology (in the afternoon) as proposed by the AESO in its letter of May 19, 2005.

The AESO has now prepared two discussion papers, one on each of the 2004 and 2006 deferral account initiatives, based on comments at the meetings and further development of proposals and alternatives by the AESO. These discussion papers are attached, with workbooks containing supporting information and comment forms for stakeholder feedback.

The development of these discussion papers took longer than initially planned. The AESO now proposes the following amended schedules for conclusion of consultation on these matters.

AESO 2004 Deferral Account Cut-Off Date and Post Cut-Off Adjustment Process

1. Jul 14, 2005 **Discussion paper** (attached to this letter) distributed, including AESO proposals for materiality threshold and treatment of post cut-off adjustments incorporating comments provided by parties at the June 7 consultation meeting.
2. Jul 29, 2005 **Stakeholder comments** to be provided on the AESO's July 14 discussion paper.
3. Aug 17, 2005 **Comment matrix** distributed by AESO as summary of views expressed in July 29 stakeholder comments and including responses by AESO.
4. Aug 26, 2005 **Stakeholder comments** to be provided with any additional comments in response to the AESO's summary, other parties' comments, or based on stakeholders' own positions.
5. Sep 7, 2005 **AESO proposal** distributed to advise parties of the AESO's position for the materiality threshold and handling of post cut-off adjustments.

2006 Prospective Deferral Account Rider Methodology

1. Jul 14, 2005 **Discussion paper** (attached to this letter) distributed, including AESO proposals for a prospective deferral account rider methodology incorporating comments provided by parties at the June 7 consultation meeting.
2. Jul 29, 2005 **Stakeholder comments** to be provided on the AESO's July 14 discussion paper.
3. Aug 17, 2005 **Comment matrix** distributed by AESO as summary of views expressed in July 29 stakeholder comments and including responses by AESO.
4. Aug 24, 2005 **Consultation meeting** with interested parties to discuss outstanding issues and matters raised by other parties in July 29 stakeholder comments. This meeting will take place at the AESO's offices (2500, 330 – 5th Ave SW) from 9:00 am – 12:00 noon.
5. Sep 7, 2005 **Stakeholder comments** to be provided on matters discussed at the August 24 consultation meeting.
6. Sep 14, 2005 **Comment matrix** distributed by AESO as summary of views expressed in September 7 stakeholder comments.
7. Sep 30, 2005 **AESO application** filed for a 2006 prospective deferral account rider methodology incorporating stakeholder comments and providing the AESO's position on a prospective methodology.

The AESO advises stakeholders that it expects to identify which stakeholder provided each comment in its summary. **The AESO also assumes that if stakeholders do not provide comments, they are indifferent at this time to the points raised in the discussion paper.**

For parties' reference, attached to this letter are the following six documents:

- [AESO 2004 Deferral Account Process](#) – Discussion Paper;
- [AESO 2004 Deferral Account Process](#) – Example Impacts (an excel workbook of examples to accompany the 2004 deferral account process discussion paper);
- [AESO 2004 Deferral Account Process](#) – Comment Form (for stakeholders to use in providing comments on the 2004 deferral account process discussion paper);
- [AESO 2006 DA Rider Methodology](#) – Discussion Paper;
- [AESO 2006 DA Rider Methodology](#) – Rider Option Examples (an excel workbook of examples to accompany the 2006 prospective deferral account rider methodology discussion paper); and
- [AESO 2006 DA Rider Methodology](#) – Comment Form (for stakeholders to use in providing comments on the 2006 prospective deferral account rider methodology discussion paper).

Additional background is available on the AESO's website at www.aeso.ca by following Quick Links ► Current Regulatory Activities, in the "AESO 2004 Deferral Account Cut-Off Date and Related Issues Consultation" and "AESO 2006 Prospective Deferral Account Rider Methodology" sections.

If you have any comments or questions on this process or on the attached information, please contact me at (403) 539-2465 or john.martin@aeso.ca, or Randeep Nota at (403) 539-2468 or randeep.nota@aeso.ca.

Yours truly,

[original signed by]

John Martin
Manager, Regulatory

cc: Jamie Cameron, EUB
Rob Senko, AESO
Randeep Nota, AESO
Carol Moline, AESO
Roxanne Moeskops, AESO

Attachments