



January 12, 2006

Sent via e-mail

AESO Stakeholders

AESO 2005-2006 General Tariff Application

Dear Stakeholder:

Re: **AESO 2007 Rates and Terms and Conditions Consultation**

Attached are response matrices to stakeholder comments received by the AESO on the 2007 rates and 2007 terms and conditions discussion papers distributed on December 13, 2005. The AESO appreciates the views provided by stakeholders, and has further considered its plans for preparing and filing a 2007 General Tariff Application in the context of those comments.

Comments provided by some stakeholders, both at the December 8 stakeholder meeting and in response to the discussion papers, suggested the AESO should assess what work should be completed before filing its 2007 GTA and then set a filing schedule based on the time needed to complete that work. The attached response matrices indicate that two major projects should be completed for a 2007 GTA:

- *Transmission Cost Causation Study* refinements to further improve the DTS rate design, and
- an investment level study to refine and improve the DTS investment policy.

We believe both studies will take in the order of a few months, and therefore could not be completed for a tariff application to be filed near the end of February. Stakeholders generally indicated that it is important those studies be completed, and we concur. The AESO therefore plans to delay the filing of its 2007 GTA to allow adequate time for completion of those studies and additional consultation.

The AESO proposes the following schedule for the next steps in its 2007 GTA consultation.

- Wed, Jan 25 **Terms of reference** distributed by the AESO for *Transmission Cost Causation Study* refinements and for an investment level study.
- Wed, Feb 1 **Stakeholder comments** submitted on the terms of reference.
- Wed, Feb 8 **Response matrices** of stakeholder comments and AESO responses distributed by the AESO. Studies initiated by AESO.

We expect to be able to provide the initial results of the studies towards the end of March, and will establish the subsequent steps in the consultation process closer to that time. At the present time, a filing date of May or June seems likely. Again, the additional time proposed for the studies and other consultation should provide for a more complete and better prepared tariff application, that incorporates stakeholder input.

If you have any comments in regards to the above, please contact John Martin at (403) 539-2465 or john.martin@aeso.ca, or Ed Hucman at (403) 539-2469 or ed.hucman@aeso.ca.

All information on these consultation processes is available on the AESO's website at www.aeso.ca by following the paths:

- Tariff ► Current Consultations ► 2007 Rates, and
- Tariff ► Current Consultations ► 2007 Terms and Conditions.

Yours truly,

[original signed by]

Heidi Kirrmaier
Vice President, Regulatory

cc: Ed Hucman, AESO
John Martin, AESO
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