

Title: Primary Service Credit

Preamble: Detailed information on the transformation component of POD costs

Reference: Section 4.10

Request:

- (a) At page 51, the AESO indicates detailed information was not available on the transformation component of POD costs during the 2006 tariff proceeding. Please provide studies and workpapers on the details of the transformation component costs investigated since the last proceeding. Please compare these findings with the 2006 PSC level of \$660/MW/Month.
- (b) Please list each of the PODs eligible to receive PSC credit in 2006 and those proposed for 2007.
- (c) For each POD referenced in b), above, please provide the DTS and STS capacities, the Substation Fraction, the billing capacity determinant and the actual and forecast amounts of the PSC for each of 2006 and 2007.

Response:

- (a) As explained on page 18 of section 4 of the AESO's 2007 GTA, the AESO examined in detail the costs for 30 transmission interconnection projects as part of the *Customer Contribution Study* provided as Appendix F to the Application. The available data did not provide a breakdown of costs that would allow an examination of transformation costs separate from substation costs as a whole (where substation costs include transformation and most buswork, switchgear, communication equipment, and sitework).

Please refer to the response to Information Request DUC.AESO-011 (a) for a discussion of substation costs and the 2006 Primary Service Credit of \$660.00/MW.

- (b-c) Please see attached Schedule CG.AESO-017 (b-c).



Preamble: Reduction in POD related charges in 2007 vs. 2006 and PSC structure changes

Reference: Section 4.10

Request:

- (a) Please provide the change in POD related costs by cost component from 2006 to 2007 and compare the POD related 2006 derivation with the 2007 POD derivation.
- (b) Please provide the change in the credit amount from 2006 to 2007 by POD and show the derivation of these amounts in a spreadsheet and calculations of PSC levels corresponding to the existing rates and new rates.

Response:

- (a) Please refer to the response to Information Request CG.AESO-017 (a).
- (b) Please refer to the response to Information Request CG.AESO-017 (b-c) for changes in the Primary Service Credit from 2006 to 2007 by POD.

Please refer to the response to Information Request PPGA.AESO-014 for the calculation of the 2006 PSC level. The calculation of the proposed 2007 PSC level is provided on page 51 of section 4 of the AESO's 2007 GTA.

Preamble: Eligibility Criteria and Investment Test

Reference: Section 4.10

Request:

- (a) Please provide a list of each of the additional PODs eligible for the PSC due to the changed criteria and provide the applicable size, Substation Fraction, and estimated amounts for 2007.
- (b) Please provide supporting details of the reduced maximum investment levels for each of the referenced PODS in a), above, when the TFO does not provide conventional transformation equipment.
- (c) Please compare the forecast 2007 PSC levels for each of the PODs in a), above, with the PSC levels calculated at the existing 2006 PSC rate.

Response:

- (a) Please refer to the response to Information Request CG.AESO-017 (b-c).
- (b) The TFO usually owns the generation facilities at the isolated communities listed in Schedule CG.AESO-017 (b-c). The AESO has not reviewed the costs of the facilities, but understands they would generally be less than the reduced investment level proposed where the TFO does not provide conventional transformation facilities.

The AESO has no records of the cost of the unconventional interconnections listed in Schedule CG.AESO-017 (b-c), but expects they would be on the order of \$200,000 per site as discussed in response to Information Request CG.AESO-009 (a). That amount would be less than the reduced investment level proposed where the TFO does not provide conventional transformation facilities.

- (c) Please refer to the response to Information Request CG.AESO-017 (b-c).