

ERRATA FILING NO. 1

The AESO makes the following corrections to its 2007 General Tariff Application (Application No. 1485517):

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1. Section 1, p. 7

The Application states:

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10. c. ...The AESO requests that its proposed tariff become effective April 1, 2007

Please delete. The AESO did not intend to request an effective date in its application.

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2. Section 2, Table 2.2.1, p. 10

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An incorrect amount for the 2007 Forecast TFO Wires-Related Costs for ENMAX Power Corporation was included in Table 2.2.1. The description provided on page 11 of the application correctly states, "Therefore, the 2007 Forecast Wires Costs is based on the last approved revenue requirement of \$33.6 [million], as directed in EUB Rates Order U2005-445, approving the 2006 Interim Tariff." However, an amount of \$34.7 million was inadvertently included in Table 2.2.1.

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The incorrect amount was also included in Schedule 2.0 on page 8 and in the revenue requirement on which the rate calculations in section 5 of the Application were based. As the error amounts to only \$1.1 million or 0.3% of total TFO wires-related costs of \$436.7 million, the impact on final rates would not be material. The AESO therefore proposes to correct the amount in any refiling of its tariff required by the EUB in this proceeding.

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3. Section 2, p. 12

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Some explanatory text was incorrect in the discussion of TFO wires-related costs for the City of Red Deer. The text should read:

The City of Red Deer

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Commencing January 1, 2006, the EUB assumed responsibility for approving the City of Red Deer's revenue requirement.

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In Decision 2005-149, the EUB issued an interim approval of the City of Red Deer's 2007 tariff of \$1.8 million. The decision requested that Red Deer refile its 2006-2008 TFO Tariff Application. In compliance with Decision 2005-149, the City of Red Deer refiled its 2007 revenue requirement, in the amount of \$1.7 million, which was subsequently approved in EUB Rate Order U2006-48.

4. Section 4, p. 2

As noted in response to Information Request ADC.AESO-015, the numbers in the text at lines 27-30 on page 2 of Section 4 are incorrect. The text should read:

The net impacts on rates of the changes detailed in this Application are an overall decrease of 2.7% in the Demand Transmission Service (DTS) rate and an overall decrease of 6.0% in the Supply Transmission Service (STS) rate. However, not all components of the DTS and STS rates are affected equally, and changes by component are summarized in Table 4.0.1.

5. Section 4, pp. 17 and 22

As noted in response to Information Request ADC.AESO-19, the reference to the table is incorrect in the sentence which follows it, at lines 24-25 on page 17 of section 4. That sentence should read:

The system charge resulting from the functionalization and classification of Table 4.5.1 is provided in Schedule 5.5 in section 5 of this application....

The reference to the table is also incorrect in the sentence at lines 26-27 on page 22 of section 4. That sentence should read:

The POD charge resulting from the functionalization and classification of Table 4.5.1 and the above discussion is provided in Schedule 5.5 in section 5 of this application....

6. Section 4, p. 21

As noted in response to Information Request DUC.AESO-002 (a), the reference incorrectly states that the recommended cost function was based on data which included only single-service interconnections. The data included both single-service and multiple-service load-only interconnections. The opening sentence of the paragraph beginning at line 32 on page 21 should read:

In reviewing the application of the substation fraction, the AESO notes that the recommended cost function on which the POD charge is proposed to be based was developed using data for load-only interconnections....

7. Section 6, p. 38-39

As noted in response to Information Request EPCOR.AESO-002 (e) Revised, the AESO has determined that instead of continuing with RGUCC charges in respect of re-used interconnection facilities at the site of a previous regulated generating unit, it would be more logical and equitable to charge a new generator at that site the

5 replacement costs (RCN) for the re-used facilities. This is considered to be more consistent with the treatment of new generators who are required to pay for the cost of actual interconnection facilities, and removes the need to continue with the proxy interconnection costs provided by the Regulated Generating Unit Connection Costs charge.

The AESO therefore proposes the following revised wording for Article 14.6 (c) iii):

- 10 (c) iii) If a customer with a non-regulated Generating Unit makes use of existing interconnection facilities previously used to provide system access service to a Regulated Generating Unit, the customer-related costs required to interconnect the new non-regulated generator will include all costs provided for in Article 9.3 (c) plus the Replacement Cost New (RCN) value of the re-used interconnection facilities. The total of these costs will be subject to the Customer Contribution provisions in Article 9.

8. Section 7, Rate XTS

20 As noted in response to Information Request PWX.AESO-009, Rate XTS in section 7 of the Application should have included an operating reserve charge based on $3.33\% \times \text{Pool Price}$, equivalent to the operating reserve charge in Rate DTS. The operating reserve amount was converted to \$2.29/MWh for the derivation of opportunity service rates in Schedule 5.8 in section 5 of the Application. That value was inadvertently substituted in the operating reserve charge on the XTS rate schedule.

9. Section 8, p. 1

30 In reference to Outstanding Directions, the Application states:

Below is a summary table of outstanding directions to the AESO....If an outstanding matter has not been addressed herein, this is indicated as a future action.

35 Decision 2005-005 on the AESO's 2004 GTA included a direction "to report on the outcome of those discussions with other potential suppliers [of ILRAS service] in its next possible tariff application." This direction was not included in the summary table nor responded to in the 2007 Application.

40 The AESO is providing the following response to be included in its 2007 GTA. Since additional information in regard to this matter has become available since the date of the original Application, it has been included for completeness.

45 **Direction 1 in Decision 2005-005 (page 24)**

In Decision 2005-005, the EUB stated:

Accordingly, the Board directs the AESO to report on the outcome of those discussions with other potential suppliers in its next possible tariff application.

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Response

10 In the AESO's 2004 Phase I Revenue Requirement Application, on pages 11 and 12, the AESO outlined the efforts it had made to competitively procure ILRAS and the plan to continue its procurement on a go-forward basis. As stated on page 12, the AESO did not plan to advance conversations with other potential suppliers, and since then has not done so.

15 When the AESO prepared its 2004 Phase I Application, it was continuing its discussions with Aquila (now FortisAlberta). These discussions were around formalizing a long term agreement with FortisAlberta, instead of attempting to contract with new suppliers.

20 The discussions with FortisAlberta did not conclude with a long term agreement being executed or the pricing structure changing. FortisAlberta advised the AESO that they would continue providing ILRAS under the existing agreement until such time as there was some material change in the service. An example of a material change, which was discussed at the time, is the frequency of load being tripped.

25 On December 5, 2006, FortisAlberta sent the AESO a notice to terminate the ILRAS Agreement, effective January 4, 2007, citing some of their customers no longer wanted to participate in the provision of this service.

30 Given this, the AESO commenced an Ancillary Service Procurement Process for ILRAS by issuing an invitation for Expressions of Interest (EOIs) on December 7, 2006.

35 In the interim, the AESO and FortisAlberta have reached an agreement that permits the AESO to utilize ILRAS under supply shortfall conditions only, as specified in Revised OPP 801, until August 2007. This is intended to allow time for the AESO to make arrangements for ILRAS, as necessary, to replace FortisAlberta as the sole provider.