



February 14, 2007

Submitted via EUB Digital Data Submission System

Alberta Energy and Utilities Board
640 – 5th Avenue SW
Calgary, Alberta
T2P 3G4

Attention: Jamie Cameron, Application Officer

Dear Mr. Cameron:

Re: **AESO 2007 General Tariff Application (Application No. 1485517)**
AESO Revised Responses to Information Requests, Response to DUC Motion, and
Errata Filing No. 1

The Alberta Electric System Operator (AESO) provides the following information on various matters relating to its 2007 General Tariff Application (GTA).

1. Revised Responses to Information Requests

The Alberta Electric System Operator (AESO) has filed revised responses to the following information requests (IRs):

- **TCE.AESO-004 (a-c)** as undertaken in the AESO's letter dated February 5, 2007 in response to the motions filed by intervenors regarding the adequacy of certain of the AESO's original responses, and
- **TCE.AESO-004 (d)** as directed by the Alberta Energy and Utilities Board (EUB) in its response to motions dated February 14, 2007;

In its response to motions dated February 14, the EUB directed the AESO to explain whether it agrees that the 64 substations and 2,053 MW of load identified in the AESO's response in response to IPCAA.AESO-047 (b) can be considered representative of the total backup load on the system. The AESO agrees that these customers will likely be a primary user of backup service and should therefore be representative of the total backup load on the system. The AESO notes the qualification included in response to Information Request TCE.AESO-036 (a) Revised, namely: "Utilization of a backup service would depend on the rate applicable to the service, the alternative standard rate, and any conditions which may apply to transfers from the standard rate to the backup rate." Please refer to TCE.AESO-036 (a) Revised for additional information. In

any event, the AESO agrees with IPCAA that “the subset of backup customers identified by the AESO represents a significant portion of total backup loads...[and] that this subset can be considered representative of the total backup load on the system....”

The EUB also directed the AESO to provide, in response to IPCAA.AESO-047 (c), aggregate hourly data for the loads at the 64 substations identified above. The EUB also asked whether the AESO anticipated any difficulty in providing the requested information by March 5, 2007. At this time, barring any unforeseen difficulties, the AESO expects it will be able to provide the requested information by that date.

2. Response to DUC Motion

In accordance with the EUB’s letter of February 14, 2007, the AESO provides its response to the February 13, 2007 motion of the Dual Use Customers (DUC). That motion requests the EUB to compel the AESO to provide a “full and adequate response” to Information Request DUC.AESO-004, pursuant to Sections 9 and 29(2) of the EUB’s Rules of Practice (Rules).

DUC first interprets the AESO’s view that a standby rate should be available to all customers as arising “presumably as any customer could have on-site generation.” As the AESO stated on page 34 of section 4 of its 2007 GTA, “...backup service is characterized by short duration, infrequent, and unscheduled usage, and those characteristics could also be exhibited by a low load factor load service which intermittently runs above contracted capacity....” The AESO’s views were also explained in response to Information Request TCE.AESO-036 (b) which was referenced in DUC.AESO-007 (a). The AESO’s premise is that rates should be differentiated based on distinct usage or cost patterns, and those usage or cost patterns would not differ between any service characterized by short duration, infrequent, and unscheduled usage. However, the AESO agrees that dual-use customers will likely be a primary user of a backup service.

DUC then suggests that the responses to Information Request FIRM.AESO-234 (a) in the AESO’s 2006 tariff proceeding and CG.AESO-017 (b-c) in the current proceeding provide a precedent for making the same information available for all PODs. The AESO disagrees. The information provided in the 2006 tariff proceeding related specifically to directions from prior EUB decisions to finalize Customer-Owned Substation (COS) Credits previously approved on an interim basis and to provide enough evidence on the record to approve the continuation of the credit. The response to CG.AESO-017 (b-c) primarily updated the information provided in the earlier proceeding. As well, neither response correlated the information provided on a substation basis with specific billing determinants and DTS POD bills to the level of detail provided in response to BR.AESO-003 (a), which is what DUC now requests. The AESO suggests that extending the information provided for Primary Service Credit (PSC) customers to all customers, and correlating that information to customer billing determinants and bills, exceeds the usual standards of disclosure for billing information.

DUC also suggests that “use of average DTS and STS contract demand should ensure that no party is able to identify individual customer contract information.” The AESO submits that identifying which load customers are located at substations serving supply customers will clearly

identify a subset of load customers. The location of generators in Alberta is relatively easy to determine from publicly available information, and providing the STS contract capacity would allow generators to be further identified by size. The AESO submits that this additional information would allow specific load customers to be identified, together with their associated billing determinants and average DTS bills. The AESO further submits this would undermine the anonymity currently provided in the POD-specific information provided in response to BR.AESO-003 (a). The AESO is particularly concerned about the disclosure of contract capacities, as contract capacity is a “forward-looking” billing determinant which frequently indicates a customer’s expected system access in the future, in contrast to other billing determinants which generally reflect the customer’s system access in the past.

DUC states it is not possible to “access member specific information...in the time allowed for the development of intervenor evidence....” With respect, DUC and other intervenors had ample time to gather member specific information, given that a backup rate was clearly identified as an issue during the AESO’s stakeholder consultation process. There was nothing preventing DUC from accessing member specific information in the months preceding the information request process.

DUC also suggests that Information Request DUC.AESO-004 “is adequate authorization from the DUC member companies for the release of this information.” With respect, the AESO does not believe such a request can be considered authorization from a customer. Confidential information cannot be released to a third party or made public simply on the request of that third party. Only the customer can authorize the release of confidential information (except in special cases required by law, legal proceeding, safety, and similar circumstances). As well, DUC is requesting information be made public for many more than its own members. The AESO further notes that during its 2007 rates consultation process, one customer group expressed concerns about providing POD-specific bill impact analysis, even in the anonymous format used by the AESO, and the AESO understands that some members of that customer group are interconnected at dual-use substations.

Finally, DUC requests that, in the alternative, the AESO indicate whether a POD is served through a load-only substation or a dual-use substation. (The AESO notes that no POD — which by definition indicates a load (or delivery) service — would be interconnected at a substation serving only supply customers.) The AESO again expresses the concern stated above with respect to identifying which load customers are located at substations serving supply customers. The additional information requested by DUC will “stratify” the anonymous data provided by the AESO, making the identification of specific customer PODs more possible. In particular, the substation fractions provided in BR.AESO-003 (a) could be used in conjunction with a dual-use identification to estimate the size of the supply customer, and thereby allow identification of the associated load customer.

In summary, the AESO maintains that it should not be obliged to disclose the additional information requested by DUC. The AESO submits that the DUC request exceeds reasonable bounds for the disclosure of customer-specific information, and the AESO response to DUC.AESO-004 meets the requirements of Rule 28 (c).

3. Errata Filing No. 1

The AESO has also submitted Errata Filing No. 1 for its 2007 GTA. The filing provides all corrections to errors and oversights discovered in the Application to date.

If you have any questions on this response or need additional information, please contact me at (403) 539-2465 or by e-mail to john.martin@aeso.ca, or Heidi Kirrmaier at (403) 539-2751 or by e-mail to heidi.kirrmaier@aeso.ca.

Yours truly,

[original signed by]

John Martin
Manager, Regulatory

cc: Heidi Kirrmaier, Vice-President, Regulatory, AESO