



March 20, 2007

Submitted via EUB Digital Data Submission System

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

Attention: Mr. Jamie Cameron, Application Officer

Dear Mr. Cameron:

**Re: AESO 2007 General Tariff Application – Applicant Budget Submission
 Application No. 1485517**

The Alberta Electric System Operator (AESO) submits the attached budget for legal and expert consultant costs for the AESO’s 2007 GTA proceeding.

Date of Budget Submission:	March 20, 2007
Name of hearing:	AESO 2007 General Tariff Application
Application number:	1485517
Name of participant group:	Alberta Electric System Operator (AESO)
Applicability of business interest rule:	Not applicable; the AESO is the applicant

General

Name of issue/area to be explored and/or challenged:	All aspects of GTA, in response to intervenor evidence, requests, and cross-examination
Why this area is an issue for this participant group:	Applicant is responsible for all aspects of GTA
Resources expected to be employed to pursue this issue:	External legal counsel; expert consultant

External Legal Counsel

Name of law firm being retained:	Osler, Hoskin & Harcourt LLP
Specific activities senior counsel will be performing:	<ul style="list-style-type: none"> • Pre-hearing review and consultation • Application review and support • Review and response to information requests • Review of intervenor evidence • Information requests to interveners • Rebuttal evidence review and support

	<ul style="list-style-type: none"> • Legal counsel during hearing process • Final argument and reply review and support
Specific activities junior counsel will be performing	<ul style="list-style-type: none"> • Issue research, along with pre-hearing and hearing preparation and support
Specific activities articling students/researchers/paralegals will be performing:	<ul style="list-style-type: none"> • Pre-hearing and hearing support
Anticipated legal fees:	\$120,000

Expert Consultant

Name of expert consultant being retained:	PS Technologies Inc., Mr. Arnie Reimer, P.Eng.
Specific issues the expert consultant responsible for:	<p>3.3 Whether the Local/Pod functionalization should be continued as in the original Cost Causation Study</p> <p>3.4 Whether Customer contributions should be functionalized as in the Cost Causation Update</p> <p>3.5 Recovering bulk system costs on a coincident peak basis</p> <p>3.6 Whether Billing capacity is an appropriate billing determinant for recovery of bulk system costs</p> <p>3.7 Whether no changes to cost functionalization and classification should be made to adjust for TFO operations, maintenance, and administration costs</p>
Specific activities the expert consultant will be performing:	<ul style="list-style-type: none"> • Pre-hearing review and consultation • Response to information requests • Filing of evidence • Testifying at the oral hearing • Final argument and reply submissions
Anticipated expert fees:	\$30,000

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

Sincerely,

Signed by Heidi Kirrmaier

Heidi Kirrmaier
Vice-President, Regulatory

cc: John Martin, Manager, Regulatory