



May 7, 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 Response to DUC-TCE Motion

In accordance with the letter of May 4, 2007, from the Alberta Energy and Utilities Board (EUB), the Alberta Electric System Operator (AESO) provides its response to the May 3, 2007 motion of the Dual Use Customers and TransCanada Energy (DUC-TCE). That motion requested the EUB to compel the AESO to “provide the data as hourly load data identified by hour, day and month” for individual customers for whom data was provided in aggregate in response to Information Request IPCAA.AESO-047 (c), and to additionally “segregate the data for each POD into...broad categories based on the shape of the load duration curves and other information” and to classify the data by size and by type.

DUC-TCE’s justification for this request, which is effectively an information request on the AESO’s rebuttal evidence, is premised on the AESO’s presentation of load duration curves for those customers being:

...deficient for the following reasons:

1. the data presented cannot be used to estimate diversity on the transmission system for standby loads;
2. the data presented mixes customers who are pure standby loads with customers who have some standby load and some supplemental load and also appears to include customers who are almost entirely supplemental load with very high load factors;
3. an appropriate analysis to support a standby rate should only include load characteristics for a load or that portion of a load that is needed to provide standby services; and

4. supplemental load should be charged using the same tariff charges as rate DTS and load associated with supplemental service needs to be removed from the analysis.

The AESO provides the following comments on these “reasons”.

- (1) The AESO, in rebuttal, did not state that its presentation of data indicated either diversity or lack thereof on the transmission system. Rather, the AESO’s observations on the graphs were as follows (AESO Rebuttal Evidence, page 10):

- (a) Backup loads do not exhibit uniform or consistent usage patterns, and in particular do not exhibit distinct and similar usage below or above any particular load factor threshold.
- (b) The existence of a generator in conjunction with a DTS load also does not appear to result in a uniform or consistent usage pattern.

Accordingly, the AESO concludes there does not appear to be support for a separate rate class based on a load factor threshold. Rather, the load duration curves for these DTS loads at substations which also serve one or more STS customers suggest an appropriate rate should accommodate a variety of usage patterns over a wide and near-continuous range of load factors....

- (2) The AESO agrees that the data mixes customers with different partial load requirements. The AESO’s response to Information Request IPCAA.AESO-047 (b) explained that the AESO does not have sufficient information to identify PODs which would be characterized as backup loads. However, the AESO agreed that DTS loads at substations with STS contracts should be primary users of backup service. It is DUC-TCE who proposed in its evidence (page 12) that the existence of generation be an eligibility criterion for its proposed standby rate. DUC-TCE further suggested loads associated with generation have a typical load duration curve (DUC-TCE Standby Rate Evidence, page 16). The AESO data simply illustrates that loads associated with generation do not have a “typical” load duration curve.
- (3) The AESO did not rely on its rebuttal evidence graphs to support a standby rate. The analysis of the Fort McMurray Area Service Requirements Forecast dated April 2, 2007, elsewhere in the AESO’s Rebuttal Evidence (pages 7-8), was used to validate the AESO’s proposal, but the graphs themselves were not.
- (4) The AESO does not dispute that, under DUC-TCE’s proposal, different components of a customer’s load would be charged differently. As stated above, the AESO’s graphs illustrate that “an appropriate rate should accommodate a variety of usage patterns over a wide and near-continuous range of load factors.” The AESO has not proposed that certain loads should be treated differently than others.

In summary, the AESO did not provide analysis but simply presented illustrative data. The data was not used “to analyze the amount of diversity on the transmission system for standby loads”

and is not “deficient” for any of the reasons cited by DUC-TCE. As the AESO’s presentation of data in its rebuttal evidence is not deficient, there is no basis to support DUC-TCE’s motion.

However, in the event the EUB determines that the provision of the information sought by DUC-TCE should be considered, the AESO offers the following additional comments.

The AESO submits that hourly data for DTS loads represents very specific customer data and is traditionally considered confidential by utilities. Specifically, under paragraph 29(1)(c) of the EUB’s *Rules of Practice* (Rules) the AESO considers that the information is confidential because it would reveal detailed operation of a customer’s load that would not otherwise be generally or publicly available. That detail may, for example, provide information about equipment reliability, maintenance schedules, response to pool price, or other information that may disadvantage the customer in a competitive environment.

DUC-TCE suggests that confidentiality would be protected as the data is “normalized” through presentation as a percentage of peak load. The AESO submits that, in conjunction with other data already on the record and with the additional segregation and other information requested by DUC-TCE, such protection simply does not exist. DTS loads at substations which also serve one or more STS customers were identified by the AESO in Information Response BR.AESO-003 (a) Revised, after an earlier DUC motion. BR.AESO-003 (a) also included billing capacity, contract capacity, and load factor for each customer. It would in fact be trivial, with the information requested by DUC-TCE, to associate the hourly data to an individual DTS POD, therefore providing a complete picture of hourly load, average billing determinants, and average DTS charges over the past two years. The AESO believes the public presentation of such extensive data for a customer, without that customer’s consent, would generally be considered a breach of a utility’s confidentiality obligations.

The AESO’s confidentiality concerns would be readily addressed if customer consent was provided. In particular, DUC-TCE appears to be most interested in only certain of the customers included in the data presented by the AESO. Those customers may be what DUC-TCE terms “pure standby loads”, and presumably would include only some of the sizes and types into which DUC-TCE requests the AESO categorize the data. The AESO expects that most of those customers of interest to DUC-TCE would be represented in the 2007 GTA by DUC, and that DUC should be able to gain those customers’ consent to make their specific hourly load data public in this proceeding. The AESO further notes that confidentiality concerns were first raised by the AESO in its original information responses on January 24, 2007, and DUC has had ample time since then to gather such consents from those customers it represents.

In the event the AESO is directed to provide hourly load data for customers, the AESO is of the view that such information should be kept confidential under subsection 12(2) of the Rules. As stated above, placing hourly load data on the public record could disadvantage customers operating in a competitive environment. The AESO further suggests, if it is required to provide such data, that the data be limited to DTS PODs of specific interest to DUC-TCE as classified by load factor, size, type, or through other means. The AESO submits that it is not relevant to present for examination data for loads to which DUC-TCE’s proposed rate would not be intended.

However, in the event data is provided and kept confidential, the analysis of the data could be publicly debated during the course of this proceeding. The AESO would not generally expect the detailed hourly data to be examined during the hearing itself, but rather that findings and conclusions based on the data would be debated. Assuming the AESO could examine DUC-TCE's findings and conclusions and satisfy itself that they are reasonably based on the confidential data, the AESO anticipates there would be no need to require debate about those findings and conclusions to be conducted *in camera*.

In summary, the AESO submits that:

- (a) DUC-TCE has not presented sufficient reasons to support an affirmative response to its motion,
- (b) the information sought by DUC-TCE is confidential and that harm to customers could result if the information was placed on the public record,
- (c) confidentiality concerns could be addressed by DUC gaining consent to release data from those customers it represents, and
- (d) if the requested information is to be provided confidentially:
 - (i) it should be restricted to that information of specific interest to DUC-TCE, and
 - (ii) the findings and conclusions based on that information could be debated publicly.

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