May 10, 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 Errata Filing No. 2

Since the Alberta Electric System Operator (AESO) submitted its Errata Filing No. 1 on February 14, 2007, additional minor errors and inconsistencies have been identified in the 2007 General Tariff Application. The AESO has therefore submitted Errata Filing No. 2 for its 2007 GTA via the Digital Data Submission (DDS) System, which provides all corrections to errors and inconsistencies discovered in the Application since the previous errata filing.

If you have any questions on this errata filing 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
Director, Tariff Applications

cc: Heidi Kirrmaier, Vice-President, Regulatory, AESO
ERRATA FILING NO. 2

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

1. Section 6, Table 1, p. 21

The cost estimates provided in the table are incorrect values, and reflected a preliminary cost escalation that was revised prior to finalizing the Contribution Study Data filed as Appendix G to the Application. The following revised table provides the correct escalated values from Appendix G which were used in the derivation of the cost function proposed in the Application:

<table>
<thead>
<tr>
<th>Project Reference</th>
<th>In-Service Date</th>
<th>DTS Capacity MW</th>
<th>Cost Estimate 2007 $000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFO Project #1</td>
<td>1990</td>
<td>0.1</td>
<td>1.622</td>
</tr>
<tr>
<td>TFO Project #2</td>
<td>1987</td>
<td>1.5</td>
<td>0.995</td>
</tr>
<tr>
<td>TFO Project #3</td>
<td>1990</td>
<td>4.1</td>
<td>1.260</td>
</tr>
<tr>
<td>TFO Project #4</td>
<td>1991</td>
<td>4.2</td>
<td>5.512</td>
</tr>
<tr>
<td>TFO Project #5</td>
<td>1988</td>
<td>4.8</td>
<td>2.680</td>
</tr>
<tr>
<td>TFO Project #6</td>
<td>1989</td>
<td>5.1</td>
<td>6.332</td>
</tr>
<tr>
<td>TFO Project #7</td>
<td>1997</td>
<td>5.6</td>
<td>3.419</td>
</tr>
<tr>
<td>TFO Project #8</td>
<td>1987</td>
<td>5.8</td>
<td>4.244</td>
</tr>
<tr>
<td>TFO Project #9</td>
<td>1997</td>
<td>6.0</td>
<td>2.002</td>
</tr>
<tr>
<td>TFO Project #10</td>
<td>1990</td>
<td>6.1</td>
<td>8.767</td>
</tr>
<tr>
<td>TFO Project #11</td>
<td>1987</td>
<td>6.3</td>
<td>1.938</td>
</tr>
<tr>
<td>TFO Project #12</td>
<td>1993</td>
<td>6.4</td>
<td>6.734</td>
</tr>
<tr>
<td>TFO Project #13</td>
<td>1990</td>
<td>6.6</td>
<td>3.866</td>
</tr>
</tbody>
</table>

2. Section 6, pp. 35-37

The example lump-sum payment calculation used an Assumed Billing Capacity Charge of $1,395/MW/month from a pre-filing draft of the Application.

The correct charge should be $1,176.00/MW/month as provided in the DTS rate in section 7 of the Application. The methodology for calculating the lump-sum payment in section 6 remains correct, and the calculation using the filed Billing Capacity Charge is as follows:

Notice Provided: 1-January-2006
Reduction Effective: 1-January-2011
Buy-down Effective: 1-July-2007

Tariff Applied: Proposed 2007 GTA
Pre-Notice Capacity: 8.00 MW  
Post-Notice Capacity: 4.00 MW  
Reduction: 4.00 MW  
Metered Demand July 1, 2007: 4.00 MW
Discount Rate: 7.92%

Assumed Billing Capacity Charge: $1,176/MW/month

The lump-sum payment is the present value of Billing Capacity charges for the 42 month period beginning 1-July-2007, the last month in the period being December 2011. The difference between the notice period Billing Capacity versus the early buy-down Billing Capacity multiplied by the billing demand component of the DTS system charge will determine the lump sum payment. In this case the Billing Capacity used in the calculation is:

notice period Billing Capacity (90% of 8.0 MW = 7.2 MW)
less early buy down period Billing Capacity
(highest 15 minute Metered Demand = 4MW)

= 3.2 MW

In this case, the customer would be required to pay a lump-sum payment of approximately $119,000 (excluding GST). As noted above there are no ratchets incurred during the notice period. If there was a ratchet incurred during the notice period, the ratchet would also be accounted for in the lump sum payment.

The AESO notes that the original $141,000 lump-sum payment amount is mentioned in the response to Information Request ADC.AEOS-034 (a), and that amount should accordingly be replaced by the $119,000 provided above. The correction of the lump-sum payment amount does not affect the balance of information provided in that response.

3. Section 7, Rate Schedules, pp. 6-22

The filed Rate Schedules did not specify which System Access Service Agreement (from the proformas provided as Appendix B to the Terms and Conditions of Service) was required to be completed for each rate. The AESO proposes the following additions to the Rate Schedules to clarify this.

Each of the Demand Opportunity Service Rate Schedules (DOS 7 Minutes, DOS 1 Hour, and DOS Term) has been revised to identify that DOS will be available to customers that have executed the “System Access Service Agreement for Demand
Opportunity Service (DOS)”. Each of the DOS Rate Schedules has been revised to include the following wording (emphasis added):

Available: For quantities of Metered Energy taken within the Opportunity Capacity for the relevant System Access Service Agreement for Demand Opportunity Service, and when sufficient transmission capacity exists to accommodate such quantity. This service will be available a minimum of one (1) hour for Customers deemed eligible in the pre-qualification process, following the execution of a System Access Service Agreement for Demand Opportunity Service (DOS).

Similar revisions have been made in the rate schedules to indicate the appropriate system access service agreements for Export Services (XTS, XOS 1 Hour, and XOS 1 Month) and Merchant Services (MTS, MOS 1 Hour, and MOS 1 Month), as follows (emphasis added):

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XTS</td>
<td>Export Transmission Service</td>
</tr>
<tr>
<td>XOS 1 Hour</td>
<td>Export Opportunity Service (1 Hour)</td>
</tr>
<tr>
<td>XOS 1 Month</td>
<td>Export Opportunity Service (1 Month)</td>
</tr>
</tbody>
</table>

Available: When sufficient transmission capacity exists to accommodate the capacity scheduled for service. This service shall be available a minimum of twenty-four (24) hours following execution of a System Access Service Agreement for Export Service – BC / Saskatchewan Interties.

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS</td>
<td>Merchant Transmission Service</td>
</tr>
<tr>
<td>MOS 1 Hour</td>
<td>Merchant Opportunity Service (1 Hour)</td>
</tr>
<tr>
<td>MOS 1 Month</td>
<td>Merchant Opportunity Service (1 Month)</td>
</tr>
</tbody>
</table>

Available: When sufficient transmission capacity exists to accommodate the capacity scheduled for service. This service shall be available a minimum of twenty-four (24) hours following execution of a System Access Service Agreement for Merchant Service – Montana Intertie.

The associated proformas have also been revised as discussed in item 5 below.

4. Section 7, Article 5, pp. 15-16

In Article 5 – System Access Application, paragraphs 5.1(a) and (d), 5.2(d), and 5.3(e) incorrectly refer to Article 5.3. Those articles should instead refer to Article 5.4. as follows (emphasis added):
5.1 Distributor’s Application for System Access Service Existing POD

(a) Subject to Article 5.4, applications for expanded System Access Service within an existing POD shall be made to the TFO. An interconnection proposal for the requested expansion is presented and reviewed by the AESO.

(d) Subject to Article 5.4, if the Distributor proceeds with the recommended System Access Service solution, the Distributor is expected to provide the information and financial security required by the TFO and to enter into a Construction Commitment Agreement, if required by the TFO.

5.2 Distributor’s Application for New System Access Service

(d) Subject to Article 5.4, if the Distributor proceeds with the recommended System Access Service solution, the Distributor is expected to provide the information and financial security required by the TFO and to enter into a Construction Commitment Agreement, if required by the TFO.

5.3 Generator, Industrial Systems, and Industrial Load Applications for Service

(e) Subject to Article 5.4, if the Customer proceeds with the recommended System Access Service solution, the Customer is expected to provide the information and financial security required by the TFO and to enter into a Construction Commitment Agreement with the TFO.

5. Section 7, Terms and Conditions Appendix B, pp. 56-63

The AESO has revised some of the System Access Service Agreement Proformas provided in Appendix B to the proposed Terms and Conditions of Service to provide clarity and align terminology and references with the Rate Schedules of the proposed 2007 Tariff. Specifically, the indicated revisions have been made to the following proformas originally provided with the Application:

- System Access Service Agreement for Import Opportunity Service
  - Revised to include the Montana Intertie as a Point of Interconnection with the Transmission System.
  - Revised to reflect that IOS is available for a term other than 1 year.
System Access Service Agreement for Export Service – BC / Saskatchewan Interties
• This document has been deleted as it is superseded by the following document.

System Access Service Agreement for Export Service – Alberta / Montana Intertie
• This document’s content relates to the BC / Saskatchewan Interties, and it has accordingly been renamed “System Access Service Agreement for Export Service – BC / Saskatchewan Interties” and replaces the previously mentioned document.

System Access Service Agreement for Export Service
• This document’s content relates to the Montana Intertie, and it has accordingly been renamed “System Access Service Agreement for Merchant Service – Montana Intertie”.

System Access Service Agreement – Demand Opportunity Service (DOS)
• This document has been revised to include an updated version of the DOS Request form.

The revised listing of proformas for Terms and Conditions Appendix B is:

Appendix B  System Access Service Agreement Proformas:
• Demand Transmission Service
• Supply Transmission Service
• Import Opportunity Service
• Export Service – BC / Saskatchewan Interties
• Merchant Service – Montana Intertie
• Demand Opportunity Service (DOS)
• Construction Commitment Agreement Proforma

The revised proformas are attached to this errata filing.

6. Appendix D — Additional Analysis of Bulk System Data, p. 17

In the final graph (for 2004) on page 17 of Appendix D, the thick grey line which represents the weighted average of the percentage of peak loading of 240 kV lines is incorrect. The weighted average line is correctly shown in the following graph:
2004 Load Duration Curves for 240 kV Lines

Hours of Year

Percentage of Peak Loading

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

0 1000 2000 3000 4000 5000 6000 7000 8000
SYSTEM ACCESS SERVICE AGREEMENT
IMPORT OPPORTUNITY SERVICE

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO’s Tariff.)

1. TYPE OF SERVICE

Service under this Agreement shall be pursuant to Rate Schedule Import Opportunity Service (IOS).

2. POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

☐ British Columbia Intertie  ☐ Saskatchewan Intertie  ☐ Montana Intertie

3. EFFECTIVE DATE

__________ 1, 200__

4. TERM

________________________________________

5. RATES AND TERMS OF SERVICE

The supply of System Access Service under this Agreement, shall be pursuant to the AESO’s Tariff, in particular to the Rate Schedule referenced under Paragraph 1.

Market Access is contingent upon receipt of an executed System Access Service Agreement.
6. NOTICES

Notices sent to the Customer pursuant to this Agreement shall be as follows:

- Attention: ________________________
- Address: ________________________
- Tel: _____________________________
- Fax: _____________________________
- Email: __________________________

By executing in the space below, the Customer and the AESO agree to the foregoing provisions.

**Independent System Operator, operating as AESO**

Per: _____________________________  Date: ______________________

**Customer Name**

Per: _____________________________  Date: ______________________
Name: ____________________________
Title: ____________________________

Per: _____________________________  Date: ______________________
Name: ____________________________
Title: ____________________________
SYSTEM ACCESS SERVICE AGREEMENT
EXPORT SERVICE – BC / SASKATCHEWAN INTERTIES

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO’s Tariff.)

1. TYPE OF SERVICE

Service under this Agreement shall be pursuant to Rate Schedule:

- Export Transmission Service: XTS
- Export Opportunity Service (1 Hour): XOS 1 Hour
- Export Opportunity Service (1 Month): XOS 1 Month

2. POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

- British Columbia Intertie
- Saskatchewan Intertie

3. EFFECTIVE DATE

- __________ 1, 200__

4. TERM

- __________________________

5. RATES AND TERMS OF SERVICE

The supply of System Access Service under this Agreement, shall be pursuant to the AESO’s Tariff, in particular to the Rate Schedule referenced under Paragraph 1.

Market Access is contingent upon receipt of an executed System Access Service Agreement.
6. NOTICES

Notices sent to the Customer pursuant to this Agreement shall be as follows:

Attention: ________________________
Address: ________________________
Tel: _____________________________
Fax: _____________________________
Email: ___________________________

By executing in the space below, the Customer and the AESO agree to the foregoing provisions.

Independent System Operator, operating as AESO

Per: _____________________________  Date: _____________________________

Customer Name

Per: _____________________________  Date: _____________________________
Name: _____________________________
Title: _____________________________

Per: _____________________________  Date: _____________________________
Name: _____________________________
Title: _____________________________
SYSTEM ACCESS SERVICE AGREEMENT
MERCHANT SERVICE – MONTANA INTERTIE

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO’s Tariff.)

1. TYPE OF SERVICE

Service under this Agreement shall be pursuant to Rate Schedule:

- Merchant Transmission Service: MTS
- Merchant Opportunity Service (1 Hour): MOS 1 Hour
- Merchant Opportunity Service (1 Month): MOS 1 Month

2. POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

Montana Intertie

3. EFFECTIVE DATE

__________ 1, 200__

4. TERM

_______________________

5. RATES AND TERMS OF SERVICE

The supply of System Access Service under this Agreement, shall be pursuant to the AESO’s Tariff, in particular to the Rate Schedule referenced under Paragraph 1.

Market Access is contingent upon receipt of an executed System Access Service Agreement.
6. NOTICES

Notices sent to the Customer pursuant to this Agreement shall be as follows:

Attention: ________________________
Address: ________________________
________________________
________________________
Tel:  ________________________
Fax:  ________________________
Email:  ________________________

By executing in the space below, the Customer and the AESO agree to the foregoing provisions.

Independent System Operator, operating as AESO

Per: _________________________________ Date: ______________________

Customer Name

Per: _________________________________ Date: ______________________
Name: ________________________________
Title: ________________________________

Per: _________________________________ Date: ______________________
Name: ________________________________
Title: ________________________________
SYSTEM ACCESS SERVICE AGREEMENT

DEMAND OPPORTUNITY SERVICE (DOS)

Pre-qualification Number - Request number provided by Customer

The Customer is to complete this document, and fax it to the System Controller to request a DOS Transaction. The Customer must follow up by phoning the SC.

Demand Opportunity Service (DOS), according to the terms herein, will be available only after the System Controller approves this DOS Request.

Identification

Customer or Customer's Agent requests Opportunity Service (subject to confirmation of available capacity) in accordance with the Pre-qualification granted by the Alberta Electric System Operator, identified by Pre-qualification Number shown above, at ____________________________

Terms of Transaction

The requested service is (indicate one): _____ DOS Standard, _____ DOS 7 Minutes, _____ DOS 1 Hour

The transaction is to begin on: ________________ Start Date at ________________ Start time *

The transaction will be completed on: ________________ End Date at ________________ End time *

The requested Capacity is ________________ MW (cannot exceed the prequalified DOS capacity)

Applicant’s Endorsement

Submitted by: __________________________ on ______________ at ______________ date time

Signature: __________________________ Phone: ______________ Fax: ______________

Customer’s Representative

Approval/Denial by the System Controller

Submitted by: __________________________ on ______________ at ______________ date time

Signature: __________________________ System Controller’s Representative

Approved: [ ] Denied: [ ] If denied, see System Controller Record of Transaction for comments.

AESO Record ID: __________________________