

January 14, 2008

John Martin  
Director, Tariffs  
Alberta Electric System Operator  
2500, 330 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 0L4

Dear Sir:

**ARTICLE 11 NEGOTIATED SETTLEMENT  
APPLICATION 1549401**

Attached please find Information Requests from the Commission with respect to the  
aforementioned Application. The Commission would appreciate your responses by January 21,  
2008.

Should you have any questions please contact Jamie Cameron at (403) 297-6078 or by email at  
[Jamie.cameron@auc.ab.ca](mailto:Jamie.cameron@auc.ab.ca)

Yours truly,

*(Sent by email)*

Jamie Cameron  
Application Officer

Attachment

**COMMISSION INFORMATION REQUEST NO. 1  
AESO ARTICLE 11 NEGOTIATED SETTLEMENT  
APPLICATION NO. 1549401**

**BR-AESO-1** Proposed Article 11 Amendments

**Preamble:** Proposed Article 11.6 appears to lay out the formula to be used in determining compensation for Unforeseeable TMR Services.

**Question:**

Please provide at least three representative samples which illustrate how compensation will be determined:

- (a) utilizing the proposed formula set forth in proposed Article 11.6(a) and (b); and
- (b) In circumstances where a customer can demonstrate foregone energy sales due to a TMR directive as contemplated in the last paragraph of proposed Article 11.6, as well as a narrative explanation clarifying proposed Article 11.6.

**BR-AESO-2** Foreseeable TMR Service (including ATCO Power Rainbow Lake units)

**Preamble:** Clause 2.5 of the settlement agreement provides that “costs in respect of TMR Services at Rainbow Lake from December 16, 2004 *until Board approval*” of the agreement “remain interim for the purposes of ratemaking and subject to adjustment and finalization by the Board.” [emphasis added]

Paragraph 15(a) of the settlement application states that TMR services fall into one of two categories: Foreseeable TMR Services and Unforeseeable TMR Services.

Paragraph 15(c) of the settlement application indicates that TMR services provided by the Rainbow units are not considered Unforeseeable TMR Service and therefore fall outside the scope of the settlement. It also indicates that the AESO is still finalizing an agreement with ATCO Power.

Paragraph 17 of the settlement application states that the parties have agreed to “make adjustments to any payments for TMR Services that were requisitioned by the AESO after December 16, 2004 and where the need for such Service did not concern TMR Services directed from Rainbow Lake.”

Paragraph 21(d) of the settlement application refers to all costs incurred by the AESO for conscripted TMR Services from the Rainbow Lake facilities, which are to remain interim and may be subject to further adjustment.

It is the Commission’s intention to set out a schedule for finalization of the matters relating to the ATCO Power Rainbow Lake units.

**Question:**

- (a) Please confirm that the Rainbow Lake units are considered Foreseeable TMR Service. If not confirmed, please explain.
- (b) Paragraphs 15(c), 17 and 21(d) of the settlement application suggest that the ATCO Power Rainbow units are treated as being entirely outside the scope of the settlement agreement; however clause 2.5 of the settlement agreement could be interpreted as exempting from the settlement agreement only those Rainbow Lake costs made in respect of TMR Services obtained between December 16, 2004 and any approval of the settlement agreement (but not thereafter). Please clarify the intent of the negotiated settlement agreement with respect to Rainbow Lake TMR Services.
- (c) Please set out the process anticipated to resolve the “adjustment and finalization” of the amounts contemplated in clause 2.5 of the settlement agreement (specifying the relevant steps, timelines for each step and a firm date for filing an application to the Commission).