



May 12, 2008

Submitted via Digital Data Submission System

Alberta Utilities Commission
4th Floor, 425 – 1st Street SW
Calgary, Alberta
T2P 3L8

Attention: Jamie Cameron, Application Officer

Dear Jamie:

Re: **AESO 2007 General Tariff Application Second Refiling**

Attached please find the AESO's second refiling of its 2007 General Tariff Application incorporating the findings, conclusions, and directions in Decision 2008-037 of the Alberta Utilities Commission. The second refiling addresses all matters in Decision 2008-037 which were required to be addressed at this time, and includes the proposed rates and terms and conditions of service.

If you have any questions on the second refiling or need additional information, please contact John Martin at (403) 539-2465 or by e-mail to john.martin@aeso.ca.

Sincerely,

[original signed by]

Heidi Kirrmaier
Vice-President, Regulatory

attachments

cc: John Martin, Director, Tariff Applications, AESO

IN THE MATTER OF the Alberta Electric System Operator (“AESO”) tariff and rates approved by the Alberta Utilities Commission (“AUC”) pursuant to sections 30 and 119 of the Electric Utilities Act S.A. 2003 c.E-5.1.

IN THE MATTER OF AUC Decision 2008-037 and Directions made thereto.

**Alberta Electric System Operator
2007 General Tariff Application
Second Refiling**

May 12, 2008

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1 APPLICATION

5 On May 8, 2008, the Alberta Utilities Commission (AUC) issued Decision 2008-037 with respect to the 2007 General Tariff Application (GTA) Refiling of the Alberta Electric System Operator (AESO). The AESO had refiled its 2007 GTA on February 1, 2008. The refiled had responded to the order and directions of the Alberta Energy and Utilities Board (EUB) in Decision 2007-106 with respect to the AESO's 2007 GTA.

10 Decision 2008-037 provided certain directions to the AESO with respect to the refiled, and concluded on page 8 as follows:

THEREFORE, it is ordered that the AESO shall, on or before May 15, 2008, file a second refiled of its 2007 GTA as required by this Decision, incorporating the findings, conclusions and directions in this Decision.

15 This second refiled is in response to the order of the AUC in Decision 2008-037, and complies with all directions in that decision.

20 This refiled is organized into the following sections:

- 1 Application
- 2 Matters Addressed in Second Refiling
- 3 Responses to Directions
- 4 Proposed Tariff

25 1.1 Relief Requested

30 Based on the foregoing, the AESO requests approval of the rate and rider schedules and terms and conditions of service as provided in this second refiled, to be effective August 1, 2008.

All of which is respectfully submitted this 12th day of May, 2008.

35 Alberta Electric System Operator

Per: _____
Heidi Kirrmaier
Vice-President Regulatory



2 MATTERS ADDRESSED IN SECOND REFLING

5 This second refiling addresses all matters in Decision 2008-037 which were required to be addressed at this time. Specific responses to the directions in Decision 2008-037 are provided in section 3.

10 As well, the tariff included in this second refiling includes riders and terms and conditions which were not included in the refiling submitted on February 1, 2008, but which have received approval in separate orders or decisions of the AUC. Specifically, the proposed tariff in this second refiling includes the following.

- 15 (a) **Interim Fort Nelson Rider H** — Rider H was approved on an interim refundable basis in EUB Order U2008-2 dated January 2, 2008, to be effective January 1, 2008. Rider H was not included in the February 1, 2008 refiling. Reference to Rate FDS in the approved version of Rider H has been updated to Rate FTS in the proposed Rider H, to conform to the rate code in the proposed tariff.
- 20 (b) **Ancillary Services Article 11** — Article 11 was approved on a final basis in AUC Decision 2008-014 dated February 12, 2008, to be effective February 13, 2008. The February 1, 2008 refiling included the previous version of Article 11 which had been approved in an interim order of the EUB on December 16, 2004. The final approved version of Article 11 refers to the “Procedure for Foreseeable TMR Service” as Appendix D; the reference has been revised to Appendix C to allow consecutive numbering of the appendices in the proposed tariff.
- 25 (c) **IOL Transmission Duplication Avoidance Adjustment Rider A4** — Rider A4 was amended in AUC Order U2008-122 dated April 30, 2008, to be effective May 1, 2008. The February 1, 2008 refiling included the previous version of Rider A4. The amended version has been included in the proposed tariff.

30 Typographical errors, formatting inconsistencies, and similar minor errors have also been corrected in the proposed tariff.

35 Finally, the AESO notes that it has filed Application No. 1562873 requesting addition of the defined term “Planning Capacity” and amendments to Articles 13.1 and 13.2 in the AESO’s terms and conditions of service. That application is still in progress before the AUC. The tariff in this second refiling will be updated as necessary at such time as the AUC approves the terms and conditions amendment application.



1 Make Proposed Corrections to Terms and Conditions

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Direction

5 The Commission considers the proposed corrections to the refiling to be appropriate and are therefore approved. The AESO is directed to make the proposed corrections to its terms and conditions in its second refiling. [p. 2]

Response

10 The AESO has included the corrections to the definition of Demand Opportunity Service and to the title of Article 9.4 in the proposed tariff in section 4 of this second refiling.



2 Implement Contribution Policy at Same Time as Balance of Tariff Page 1 of 1

Direction

5 The Commission holds that while the AESO may have in the past implemented the
contribution policy in advance of the tariff, it is inappropriate for the Commission to direct the
AESO to apply its rates or terms and conditions prior to their approval. The tariff would
normally be viewed as a whole and that implementation on a piecemeal basis may be
neither appropriate nor fair to all customers. Therefore, the Commission approves
10 implementation of the contribution policy at the same time the balance of the tariff is
effective. [p. 5]

Response

15 The AESO will implement the contribution policy at the same time the balance of the tariff is
effective, on August 1, 2008 as discussed in response to Direction 5.



3 Propose Bill Impact Mitigation Rider

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Direction

5 Therefore, the AESO is directed to propose, in a second refiling by May 15, 2008, a rider
which will provide credits to the 11 Multiple DTS and Single DTS PODs identified in
Schedule B-8 of the AESO's response to Comm.AESO-001 (i). The credit shall be in the
amount that each customers' forecast monthly billings exceed the 10% threshold. The cost
of this subsidy is to be charged to the DTS deferral account and collected from all DTS
10 customers as an energy charge as part of Rider C, and subsequently reconciled with other
deferral account amounts in a deferral account reconciliation application or applications.
Unless otherwise ordered by the Commission, this rider shall remain in place until December
31, 2009. The matter of rate shock may be reviewed in the next GTA. [p. 6]

Response

15 The AESO has provided the directed credits in Bill Impact Mitigation Rider G in the
proposed tariff in section 4 of this second refiling. The cost of the credits will be charged to
the DTS deferral account and collected from all DTS customers through Rider C, and will be
subsequently reconciled in the AESO's 2008 and 2009 deferral account reconciliation
20 applications.



4 Submit Second Refiling No Later Than May 15, 2008

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Direction

5 The only matter not addressed by the AESO directly is the matter of rate shock mitigation
which the Commission has dealt with above. The rate shock mitigation measure directed by
the Commission will, however, require a second refiling to approve the rider to be proposed
by the AESO as a result of the above direction and to also correct the errors and omissions
10 identified by the AESO in the refiling. Therefore, the AESO is directed to submit a second
refiling containing the rate shock mitigation rider no later than May 15, 2008. [p. 7]

Response

Rate Impact Mitigation Rider G is included in this second refiling.

5 Implement New Tariff Effective August 1, 2008

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Direction

5 While not contemplated in the AESO timetable the Commission does not consider that the
filing of a second refiling seeking approval of the rate shock mitigation rider should delay the
implementation of new rates. The Commission has approved all the rate calculations as
submitted by the AESO in its refiling. The Commission considers that the approval of a
second refiling can take place concurrent with the reprogramming of the AESO's billing
10 system. Therefore, the AESO is directed to implement all the rates and T&C approved in this
first refiling August 1, 2008, subject to the additional directions contained in this decision
being addressed in the second refiling. [p. 7]

Response

15 The AESO has confirmed the necessary changes to billing systems and processes can be
completed to accommodate an effective date of August 1, 2008. The effective date of
August 1, 2008 has also been indicated in Article 2.3 of the proposed tariff included in
section 4 of this second refiling.