February 24, 2009

To: Interested Parties

AESO 2004 - 2007 DEFERRAL ACCOUNT RECONCILIATION
APPLICATION 1574594/PROCEEDING ID 60

AESO PROPOSAL FOR COMPLIANCE TO DECISION 2009-010

The Commission has received a letter from the AESO dated February 19, 2009, in which the AESO outlined its proposed method for complying with the Commission’s directives from Decision 2009-010, namely the requirements for the AESO to:

(a) recalculate its deferral account allocation to customers to remove the redistribution related to interest;
(b) refund or collect, as the case may be, the difference in amounts awarded to customers in Order U2008-253 and amounts recalculated as a result of removing its proposal for redistribution related to interest; and
(c) notify the Commission when the refund or collections, as the case may be, have been completed.

The AESO indicated that it had considered two approaches for complying with these directions: (i) a separate settlement process addressing the removal of interest; and (ii) incorporating the removal of the redistribution of interest in the AESO’s 2008 deferral account reconciliation.

The AESO proposed to follow the latter approach, and remove the redistribution related to interest as part of its upcoming 2008 Deferral Account Reconciliation application, which the AESO anticipates filing in April 2009.

Views of the Commission
The writer has been authorized by the Commission to convey its finding in this matter.

The Commission notes the AESO’s submission that if it were to implement the Commission’s directives by way of a separate application, the 2008 Deferral Account Reconciliation would likely be delayed by two months and, could potentially result in some customers receiving a refund in one settlement and a charge in the other, increasing the volatility of deferral account charges to customers.
As a result, the Commission considers that the AESO’s proposal to remove the redistribution related to interest as part of the AESO’s 2008 Deferral Account Reconciliation application is the more efficient approach to take to comply with the directions in Decision 2009-010.

Should you have any questions please contact the writer at (780) 427-4913 or by email at derrick.ploof@auc.ab.ca

Yours truly,

(Sent by email)

Derrick Ploof
Application Officer