



December 10, 2009

Submitted via AUC Digital Data Submission (DDS) System

Alberta Utilities Commission
Utilities Division, Calgary Office
Fifth Avenue Place
400, 425 – 1st Street SW
Calgary, Alberta
T2P 3L8

Attention: Cameron Taylor, Application Officer

Dear Cameron:

Re: Argument on AESO Compliance With AUC Orders in Decision 2009-105 on the Review and Variance of AEUB Decision 2007-106: Second Stage Application No. 1605528 and Proceeding ID 336

- 1 The Alberta Electric System Operator (“AESO”) provides the following argument in the above-noted proceeding, in accordance with the schedule set out in the November 3, 2009 letter of the Alberta Utilities Commission (“AUC”).
- 2 On October 14, 2009, the AESO filed a reconciliation of contribution adjustments and other information addressing compliance with the following AUC orders in Decision 2009-105:
 - (1) *The AESO shall provide refilled 2007 tariff terms and conditions reflecting the findings and directions of this Decision on or before August 15, 2009.*
 - (2) *The AESO shall provide a full reconciliation of contribution adjustments arising from this Decision by October 15, 2009.*
 - (3) *The AESO shall file its analysis of the relationship between incremental O&M and interconnection capital costs, as originally directed by the Board in Decision 2005-096, by no later than the time of its next GTA.*
- 3 The compliance filing explained that the AESO had responded to the first order to provide refilled 2007 terms and conditions by notice to the AUC on July 15, 2009.

- 4 In response to the second order, the AESO provided a project table which presented a full reconciliation showing the amounts, by project, of all contribution adjustments resulting from the application of the revised wording of Operations and Maintenance Article 9.4 to customer contribution amounts determined for interconnection projects commenced after August 1, 2008.
- 5 The AESO further explained it will respond to the third order, to file an analysis of the relationship between incremental operation and maintenance and interconnection capital costs, as part of its upcoming 2010 tariff application.
- 6 Four parties filed statements of intent to participate in the process established to review the compliance filing: AltaLink Management Ltd., Consumers Coalition of Alberta (“CCA”), FortisAlberta, and the Office of the Utilities Consumer Advocate. No party raised any objection to the compliance filing.
- 7 The AUC and CCA asked information requests of the AESO. In responding to the AUC’s information requests, the AESO provided an updated projects table with additional information relating to both the AUC and CCA requests. In particular, the AESO provided information on the date of issue of permit and licence for each project, as only projects that received permit and licence on or after August 1, 2008 were eligible for contribution adjustments.
- 8 The AESO also corrected a calculation error for one project, which did not materially affect the total amount of contribution adjustments.
- 9 The AESO notes that several CCA information requests either related to topics thoroughly discussed in the review and variance proceeding that resulted in Decision 2009-105 or raised matters that should more properly be debated at the time of the AESO’s 2010 tariff application.
- 10 In conclusion, no information request revealed concern or raised doubt that the AESO has not satisfactorily complied with the orders in Decision 2009-105. The AESO therefore submits that the compliance filing should be approved as filed.
- 11 If you need any additional information related to this argument, please contact me at 403-539-2741 or by email to leeann.kerr@aeso.ca.

Yours truly,

“original signed by”

Lee Ann Kerr
Manager, Tariff Applications

cc: Heidi Kirrmaier, Vice-President, Regulatory, AESO
John Martin, Director, Tariff Applications, AESO