



Alberta Electric System Operator

2008 Deferral Account Reconciliation

October 29, 2009



ALBERTA UTILITIES COMMISSION

Decision 2009-191: Alberta Electric System Operator

2008 Deferral Account Reconciliation

Application No. 1604964

Proceeding ID. 186

October 29, 2009

Published by

Alberta Utilities Commission

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1 BACKGROUND

1. The Alberta Electric System Operator (AESO) filed an application (Application) with the Alberta Utilities Commission (Commission or AUC) on April 9, 2009 to reconcile its deferral accounts for the period ending December 31, 2008.

2. In the Application, AESO requested that the Commission:

- (a) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2008 as described in section 3 of the Application;
- (b) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2007 as described in section 4 of the Application;
- (c) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2006 as described in section 5 of the Application;
- (d) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2005 as described in section 6 of the Application;
- (e) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2004 as described in section 7 of the Application;
- (f) approve deferral account balance reconciliation calculations for the period January 1 to December 31, 2003 as described in section 8 of the Application;
- (g) approve deferral account adjustment calculations for the period January 1, 2001 to December 31, 2002 as described in section 9 of the Application;
- (h) approve the customer allocation methodology as presented in section 10 and Appendices H through L of the Application, for purposes of recovering and refunding outstanding variance amounts from and to AESO's DTS, FTS, and STS rate classes;
- (i) approve the collection and refund of customer amounts through the use of a one-time payment/collection option described in section 11 of the Application;
- (j) approve the collection and refund of customer amounts included in the Application on an interim refundable basis, with such amounts subject to adjustment in final approvals as described in section 11 of the Application;

- (k) approve the continuation of annual retrospective reconciliations of adjustments to losses relating to years prior to 2006;
- (l) provide confirmation its acceptance of AESO's responses to outstanding directions provided in section 12 of the Application; and
- (m) provide such further and other relief as the Commission may prescribe.

3. AESO noted that, further to correspondence addressed to the Commission dated February 24, 2009, amounts to be refunded to or collected from customers were calculated by AESO to reflect the Commission's disallowance in [Decision 2009-010](#)¹ of an AESO proposal to redistribute interest that was set out in AESO's 2004 to 2007 deferral account reconciliation application (2004-2007 reconciliation application).

4. AESO stated that the Application incorporated all costs paid and revenues collected by AESO that:

- have not been settled in prior deferral account reconciliation filings;
- relate to 2008 or prior years for all costs except those related to losses, and to 2005 and prior years for costs related to losses; and
- were accounted for up to December 31, 2008.

5. Notice of the Application was issued by the Commission on April 22, 2009.

6. The Application included a request for approval of the immediate interim settlement of deferral account amounts included in the Application. In correspondence dated May 12, 2009, the Commission requested that parties provide comments on AESO's interim settlement proposal. [Decision 2009-074](#)² dated June 3, 2009 approved the requested interim settlement and required AESO to notify the Commission when the interim settlement was completed.

7. By correspondence dated July 15, 2009, AESO advised the Commission that it had reflected deferral account customer amounts in a settlement process that occurred in June 2009, as follows:

- deferral account amounts were included with preliminary billing information distributed to customers on June 5, 2009;
- deferral account amounts were also included on final statements issued to customers on June 19, 2009;
- amounts were financially settled with customers on June 26, 2009.

8. The AESO also noted that as a result of the above described interim settlement process, all deferral account amounts included in the Application had been settled with customers and that the interim settlement reflected the removal of the interest redistribution proposed in accordance with the Commission's findings in [Decision 2009-010](#).

¹ Decision 2009-010: Alberta Electric System Operator, 2004 – 2007 Deferral Account Reconciliation, (Application No. 1574594, Proceeding ID. 60), (Released: January 27, 2009).

² Decision 2009-074: Alberta Electric System Operator, 2008 Deferral Account Reconciliation – Interim Settlement, (Application No. 1604964, Proceeding ID. 186), (Released: June 3, 2009).

9. The balance of the Application was heard by way of a written process, with written Argument filed on or before July 27, 2009 and Reply Argument filed on or before August 10, 2009. Argument was received from AESO and from TransAlta Corporation. AESO filed Reply Argument on July 30, 2009.

10. The Commission considers the close of record for the Application to be August 10, 2009.

2 METHODOLOGY AND COST/REVENUE DATA INCLUDED IN THE APPLICATION

11. In section 2 of the Application, AESO noted that the reconciliation processes used for the preparation of the Application reflected prior Commission decisions, and conclusions arising from extensive stakeholder consultations related to AESO's prior deferral account reconciliation application. AESO also noted that it continued to use a software program to automate deferral account reconciliation calculations.

12. AESO noted that the reconciliation processes used for the Application were the same as used for AESO's 2004-2007 deferral account reconciliation application, with the sole difference being that the Application did not include any redistribution of interest as proposed in AESO's 2004-2007 reconciliation application. Rather, as discussed in section 12 of the Application, the Application reflected the removal of the redistribution of interest in compliance with the Commission directions from Decision 2009-010.

13. In section 2.1 of the Application, AESO noted that in addition to amounts settled in prior deferral account reconciliations for 2003 through 2007, the Application incorporated all costs paid and revenues collected by AESO that:

- have not been settled in prior AESO deferral account reconciliations;
- relate to 2008 or prior years for all costs except costs related to losses and to 2005 and prior years for costs related to losses;
- were accounted for up to December 31, 2008.

14. More specifically, AESO provided details on the inclusion of cost and revenue data and data start and cutoff dates for:

- the first reconciliation of deferral accounts for 2008;
- second reconciliations of deferral accounts for 2007, 2006, 2005, and 2004; and
- a third reconciliation of deferral accounts for 2003.

15. In addition, AESO noted that the Application determined deferral account balance adjustments identified between April 1, 2008 and December 31, 2008 in respect of the years 2001 and 2002 and allocated these adjustments to AESO customers.

16. AESO highlighted significant prior period adjustments in section 2.1.1 of the Application and provided additional detail on the treatment of transmission system losses in section 2.1.2. In section 2.1.3, AESO noted that any adjustments to 2008 or prior years which occurred after December 31, 2008 were not included in the Application and would instead be included in a future deferral account reconciliation application.

17. AESO discussed its general use and presentation of data on a “production month” rather than an “accounting month” basis in section 2.2 of the Application. For the years 2003 to 2008, AESO noted that all costs were presented on a production month basis, with the exception of AESO “own cost” and Rider C amounts, which were presented on an accounting month basis. AESO also noted that while deferral account reconciliations for the years 2001 and 2002 were originally performed on an accounting month basis, AESO considered it to be impractical to convert prior period adjustments totaling \$2.2 million over both years to a production basis. AESO summarized its use of production or accounting based presentation of data for each year from 2001 to 2008 in Table 2-1 of the Application.

Commission Findings

18. The Commission notes that with the exception of measures to reflect the Commission’s findings in Decision 2009-010 with respect to the redistribution of interest, the methodology used by AESO to prepare the Application is consistent with the methodology used by AESO to prepare the 2004-2007 reconciliation application assessed by the Commission in Decision 2009-010. The Commission further notes that while AESO conducted stakeholder consultation that addressed methodology issues as described in Appendix A to the Application, no parties made submissions opposing AESO’s methodology in Argument or Reply.

19. In view of the fact that in this Application AESO has generally used methodology and data assumptions consistent with the methodology and assumptions used for AESO’s 2004-2007 reconciliation application as approved in Decision 2009-010, and in view of the fact that no parties objected to the comparatively minor methodology and/or data related changes adopted for the Application, the Commission approves the methodology and data assumptions as described in section 2 of the Application.

20. The Commission addresses AESO’s compliance with Commission findings regarding the removal of the redistribution of interest in compliance with the Commission directions from Decision 2009-010 in Section 5 of this Decision.

3 COST AND REVENUE VARIANCES AND DEFERRAL ACCOUNT BALANCES

21. The AESO identified a net shortfall of approximately \$6.4 million shortfall (net of Rider C charges and refunds and any prior deferral account reconciliation settlements) to be allocated customers, comprised of the following annual amounts:

- a shortfall of \$4.6 million from a first reconciliation of the deferral account for 2008;
- a shortfall of \$1.4 million from a second reconciliation of the deferral account for 2007;
- a surplus of \$2.0 million from a second reconciliation of the deferral account for 2006;
- a surplus of \$1.4 million from a second reconciliation of the deferral account for 2005;
- a surplus of \$0.1 million from a second reconciliation of the deferral account for 2004;
- a shortfall of \$1.6 million from a third reconciliation of the deferral account for 2003; and
- a shortfall of \$2.2 million from reconciliations of adjustments to deferral accounts for 2002 and 2001.

22. AESO described its 2008 financial results in section 3 of the Application, and variances of costs from AESO’s approved revenue requirement for 2008 in section 3.1. As presented in

Table 3-1 of the Application, AESO noted that it recorded total costs for 2008 \$66.0 million (or 8 percent) higher than the total 2008 approved revenue requirement. AESO noted that where specific line item variances shown in Table 3-1 exceeded approximately ± 10 percent of the amount of the general and administrative costs component of AESO's revenue requirement, or, where smaller than ± 10 percent of the amount of the general and administrative costs component but at least ± 1 percent of that amount and at least ± 10 percent of the approved line item amount itself, AESO provided detailed variance explanations.

23. AESO discussed 2008 revenue variances in section 3.2 of the Application. AESO described 2008 deferral account balances in section 3.3 of the Application, as summarized in Table 3-3. AESO noted that whereas prior year deferral account reconciliations were filed later in the year, prior year reconciliations could reflect Rider C amounts for the first quarter in their entirety. However, further to a change discussed in AESO's 2004-2007 reconciliation application, AESO planned to prepare the 2008 reconciliation after initial settlement of December 2008 volumes but before the collection or refund of the 2009 first quarter Rider C amounts was complete. As a result, AESO excluded the 2008 deferral account year-end balances from the determination of Rider C for the first quarter of 2009 but retained these balances for reconciliation within the Application. AESO noted that limited informal discussion of this change with stakeholders was described in Appendix A-1 to the Application.

24. AESO described its processes for second reconciliations of deferral account balances for the 2007, 2006, 2005 and 2004 in sections 4, 5, 6, and 7 of the Application respectively. AESO provided line item variance explanations when variances exceeded approximately ± 5 percent of the amount of the general and administrative costs component of AESO's revenue requirement, or were smaller than ± 5 percent of the amount of the general and administrative costs component but at least ± 0.5 percent of that amount and at least ± 5 percent of the approved line item amount itself.

25. AESO described the third reconciliation of 2003 deferral accounts in section 8 of the Application. In that section, AESO explained that it used a threshold for variance explanations set at one third the level used to trigger explanations for the 2008 first reconciliation. Accordingly, AESO provide cost variance explanations for 2003 cost line item variances when they exceeded approximately ± 3 percent of the amount of the general and administrative costs component of AESO's revenue requirement, or were smaller than ± 3 percent of the amount of the general and administrative costs component but is at least ± 0.3 percent of that amount and at least ± 3 percent of the approved line item amount itself.

26. AESO described its proposed pre-2003 deferral account adjustments in section 9 of the Application. In that section, AESO noted that certain adjustments transactions include in the Application related to the years 2002 and 2001 which occurred after March 31, 2008 (the cut off for consideration in AESO's 2004 to 2007 reconciliation application) but before December 31, 2008. As summarized in Table 9-1 of the Application, AESO identified a net under collection \$2.2 million for 2002 and a net over collection of \$0.05 million for 2001. AESO noted that the main 2002 cost adjustment related to a \$2.3 million adjustment to general and administrative expense attributable to the removal of the interest redistribution proposed in AESO's 2004-2007 reconciliation application.

27. AESO summarized the above described treatments of 2001 to 2008 cost and revenue variances in Argument. In addition, further to its explanation in section 2.5 of the Application,

AESO submitted that the Application and the current proceeding is the proper venue for the consideration of the prudence of AESO costs incurred for 2008. Similarly, AESO also submitted in Argument that where significant adjustments to 2007 or prior year costs were included in the deferral account reconciliation, the Application and the current proceeding represented the proper venue for considering the prudence of such adjustments.

28. AESO noted that Commission information requests AUC.AESO-003 and AUC.AESO-004 asked for additional information about specific costs and variance explanations included in the Application. However, AESO's responses to those IRs revealed no errors or imprudence with respect to costs in the Application, and no corrections were required as a result of the additional information provided. Accordingly, AESO submitted that recorded costs included in the Application should be approved as filed.

Commission Findings

29. Consistent with past practices, the Commission is in agreement with AESO that deferral account reconciliation proceedings and not AESO GTAs provide the proper venue for the consideration of the prudence of AESO expenditures.

30. The Commission notes that no parties identified concerns arising from AESO's 2008 variance explanations provided in section 3 of the Application. Similarly, no parties identified concerns arising from AESO variances explanations in respect of second reconciliations for the years 2004 to 2007 or concerns with third reconciliation variance explanations respecting 2003 provided in section 8 of the Application. The Commission has reviewed AESO's revenue and cost variance explanations for all years and finds no cause to question the reasonableness of either AESO revenues or costs over the 2003-2008 periods.

31. The Commission also notes that no parties commented on either of AESO's calculation of a net under-collection of \$2.2 million in respect of 2002 and a net over-collection of \$0.05 million for 2001. The Commission has no concerns with these amounts and therefore approves the use of these amounts to determine collections from or payments to AESO customers in respect of these years.

4 ALLOCATION OF DEFERRAL ACCOUNT BALANCES TO CUSTOMERS

32. AESO described its processes and procedures for allocating deferral account balances to individual customers and the associated settlement of imbalances in section 2.7 and section 10 of the Application.

33. AESO summarized its processes for allocating deferral account balances and adjustments to customers in Argument. AESO noted that the allocation of deferral account balances and adjustments to customers was discussed in sections 10.1 and 10.2 of the Application. In addition, AESO noted that in section 10.3 of the Application, it explained the results of the deferral account allocations for each DTS and STS customer as set out in customer allocation detail provided as Appendices H, J, K, and L to the Application. As done for previous deferral account reconciliations, AESO noted that, to protect customer confidentiality, unique identifier numbers were assigned to individual direct-connect customer reconciliation information. AESO made each customer aware of the identifier number used in the presentation of each customer's reconciliation information in the Appendices. In addition, on request, any customer could

request deferral account reconciliation data in Microsoft Excel document format for each of the customer's settlement data.

34. AESO explained that where a customer's System Access Service Agreement (SAS Agreement) was assigned to another customer, deferral account allocations for 2002 and subsequent years were applied to the account of the assignee. However, due to a lack of detailed assignment data, similar treatment was not possible in respect of SAS Agreement assignments made in 2001 or prior years.

35. AESO noted that as described in section 10.4 of the Application, the current legislated federal Goods and Services Tax (GST) rate of 5 percent will be applied to deferral account balances charged or refunded.

36. In summary, AESO noted that as the allocation of deferral account balances and adjustments to customers was completed in the same manner as in previous deferral account reconciliation applications and as no information requests raised concerns with the allocation, the allocation to customers should be approved as filed.

Commission Findings

37. The Commission notes that the Application provided extensive information on the allocation of deferral account balances to individual AESO customers. In addition, the Commission notes that AESO indicated a willingness to make available to customers additional details regarding how allocations were determined. In view of these factors, the Commission does not take issue with AESO's allocation of deferral account balances to specific AESO customers. Accordingly, AESO's customer allocations for the 2001-2008 period as set out in Appendices H, J, K, and L of the Application are approved as filed.

5 OUTSTANDING DIRECTIONS

38. In section 12 of the Application, AESO described its responses to two outstanding directions.

39. At page 101 of the Application, AESO noted that in [Decision 2008-101](#)³ in respect of the recovery of costs related to the conversion of Keephills-Ellerslie-Genesee (KEG) unit transformers dated October 21, 2008, the Commission ordered that:

- the actual direct costs of the unit transformer conversion be paid by AESO to the Generator Owners upon presentation of acceptable documentation to validate the quantum;
- AESO include these direct costs in its next Deferral Account application.

40. AESO noted that whereas it has received and paid invoices totaling \$3.3 million related to direct costs resulting from the KEG unit transformer conversions, final project costs were estimated to be approximately \$4.5 million. As work on the project was not anticipated to be complete until 2009, AESO anticipated that any cost balance paid by AESO after December 31,

³ Decision 2008-101: Alberta Electric System Operator, AESO Recovery of Costs for Keephills-Ellerslie-Genesee Conversion of Unit Transformers, (Application No. 1568182, Proceeding ID. 28), (Released: October 21, 2008), page 8.

2008 would be included in AESO's 2009 deferral account reconciliation. AESO also noted that a consultant has been engaged to complete an audit of invoices received for the project. AESO anticipated that the audit would be conducted in 2009 after the project is complete.

41. At page 102 of the Application, AESO discussed the Commission's order in Decision 2009-010 to:

- recalculate its 2004-2007 deferral account allocation to customers to remove the redistribution related to interest;
- refund or collect, as the case may be, the difference in amounts awarded to customers in [Order U2008-253](#)⁴ and amounts recalculated as a result of removing its proposal for redistribution related to interest as ordered in Decision 2009-010; and
- notify the Commission when the refund or collections of amounts related to the removal of the amounts related to the redistribution of interest have been completed.

42. In regard to the direction described at page 102, AESO noted that, as discussed in section 2.3 of the Application, deferral account allocations for each year of the Application were calculated after the removal of the interest redistribution disallowed in Decision 2009-010.

Commission Findings

43. In view of AESO's explanation that final costs arising from the KEG transformer conversion project were not available by December 31, 2008, the Commission accepts AESO's proposal to reflect any cost balance paid by AESO after December 31, 2008 in AESO's 2009 deferral account reconciliation. In accordance with this finding, the Commission directs AESO to include any costs not already accounted for in the current application in its next deferral account reconciliation application.

44. The Commission notes that AESO's proposal to implement the Commission's order in Decision 2009-010 to effect the removal of the interest redistribution was proposed initially by AESO in correspondence provided to the Commission prior to the filing of the Application in February 2009. In addition, as set out in AESO's correspondence dated July 15, 2009, the interim settlement of deferral account reconciliations in this Application reflected the reversal of the interest redistribution as required by Decision 2009-010. The Commission considers that by these actions, AESO has fully complied with the requirement to effect the removal of the redistribution of interest as ordered in Decision 2009-010.

6 SETTLEMENT WITH CUSTOMERS

45. AESO noted that at the time the Application was filed, AESO requested that charges and refunds due to customers should be settled as soon as possible on an interim refundable basis. Further to Decision 2009-074 dated June 3, 2009, which approved the interim distribution of the deferral account balances as proposed in the Application, AESO noted that charges and refunds reflecting the interim distribution were included on final customer statements for May 2009 issued to AESO customers on June 19, 2009. AESO noted that the interim settlement completed

⁴ Order U2008-253 - Alberta Electric System Operator, 2004-2007 Deferral Account Reconciliation – Interim Distribution, (Application No. 1574594, Proceeding ID. 60), (Released: July 17, 2009).

AESO's compliance with the Commission's order in Decision 2009-010 to remove the interest redistribution proposed in AESO's 2004-2007 reconciliation application.

46. AESO noted that amounts settled on invoices issued in June 2009 were interim and refundable, and subject to adjustment in the final decision on the Application. In the event an adjustment is needed, AESO submitted that the impact of any such adjustment should be assessed to determine whether a separate settlement process is required or whether the adjustment can be included in AESO's 2009 deferral account reconciliation application to be filed in the second quarter of 2010.

47. In its Argument, AESO noted that as:

- no substantive matter was raised in information requests that required correction or revision to the proposals included in the Application;
- no party commented on AESO's responses to directions included in section 12 of the Application;
- no information requests were filed on extensive detail provided in several Application appendices;

the Application should be approved as filed and the relief requested in section 1.4 of the Application should be granted in full.

48. Furthermore, AESO submitted that the distribution of the deferral account balances approved on an interim basis in Decision 2009-074 should be confirmed as final.

Commission Findings

49. As discussed in Section 4 of this Decision, the Commission has approved AESO's allocation of deferral account balances for the specific deferral account reconciliation periods covered by the Application as described in Appendices H, J, K and L of the Application. The Commission further notes that as all AESO customers have been provided with extensive information allowing them to verify their settlement amounts, in the absence of any party having expressed concerns, the Commission approves the individual customer amounts as presented.

50. The Commission notes that the interim refundable settlement adjustment approved by the Commission in Decision 2009-074 and described in AESO's July 15, 2009 correspondence fully reflected the final customer refunds or collections as applied for by AESO. Given this, the Commission considers that there is no need for AESO to effect any additional collections or refunds from its customers to settle the deferral account balances described in the Application. Accordingly, the Commission hereby confirms and approves the interim customer settlement transactions that were approved on an interim basis in Decision 2009-074.

7 FUTURE DEFERRAL ACCOUNT RECONCILIATIONS

51. AESO described its intentions regarding future deferral account reconciliation applications in section 2.8 of the Application. AESO noted that while it provided comments on its plans for future deferral account reconciliations to assist stakeholders and the Commission in understanding AESO's expectations for future applications, AESO clarified that it was not

seeking any decision regarding future application processes in the context of the Commission's consideration of the current Application.

52. AESO explained that:

- it expected to continue to prepare future deferral account reconciliations using a software program developed in 2006 and 2007 to deal with the large quantity of data involved in multi-year deferral account reconciliations;
- as was done for the Application, it expects to prepare future applications after the initial settlement of December volumes, using a December 31, 2008 cut-off date;
- it expected to continue the practice of excluding year-end balances from the calculation of the following year's first quarter Rider C amounts to facilitate an earlier preparation of the deferral account reconciliation application;

53. AESO also noted that it had consulted with stakeholders in March 2009 on other matters related to deferral account reconciliations, including:

- whether the calculation of quarterly Rider C amounts should include or exclude transactions which affect a prior production year;
- whether AESO should implement an alternative to the current approach of repeating full reconciliations for multiple deferral account years in each deferral account reconciliation application; and
- whether Riders B and C should be reviewed and potentially changed to improve their effectiveness.

54. AESO indicated that stakeholders provided initial comments on the above noted matters and also noted that additional stakeholder consultations were expected as AESO prepared for the filing of its 2010 GTA.

Commission Findings

55. The Commission notes the following finding from Decision 2009-010:

78. Finally, with respect to the suggestion of the AESO that it may pursue revisions to Rider B and/or Rider C either in the context of its next general tariff application proceeding or through a stand alone application dealing specifically with proposed changes to these riders, the Commission considers that it is appropriate that any proposed changes to Rider B and/or Rider C should be considered in the AESO's GTA proceeding rather than through a separate stand alone module. In particular, the Commission considers that as the design of these riders may have a bearing on the ultimate allocation of AESO tariff costs to individual AESO customers, it is appropriate that the existence and/or proposed design of Rider B and Rider C should be known. AESO customers may then take them into account when determining the nature and extent of their involvement in any proceeding regarding the design of DTS and STS rates to apply in future periods.

56. It remains the view of the Commission that because deferral account processes and the riders such as AESO's current Rider B and Rider C have a bearing on the ultimate allocation of tariff costs to individual AESO customers, go forward changes in these processes should generally be addressed in the context of an AESO GTA.

57. Notwithstanding this finding, the Commission wishes to highlight its concern about the number of times that additional reconciliation is required in respect of deferral account years that have already been considered by the Commission in the context of prior deferral account reconciliation applications. The Commission urges AESO to be mindful of this concern as it considers its redesign of deferral account reconciliation processes and associated rate riders for its forthcoming GTA.

8 ORDER

58. IT IS HEREBY ORDERED THAT:

The interim settlements of AESO 2001 to 2008 deferral accounts approved in Decision 2009-074 and confirmed in AESO's July 15, 2009 correspondence are approved and confirmed as applied for by AESO.

Dated in Calgary, Alberta on October 29, 2009.

ALBERTA UTILITIES COMMISSION

(original signed by)

Carolyn Dahl Rees
Vice-Chair

(original signed by)

Tudor Beattie, Q.C.
Commissioner

(original signed by)

Bill Lyttle
Commissioner

APPENDIX 1 – APPLICATION PARTICIPANTS

Name of Organization (Abbreviation) Counsel or Representative
Alberta Electric System Operator (AESO) A. Walters J. Martin C. Moline
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Alberta Utilities Commission
Commission Panel C. Dahl Rees, Vice-Chair T. Beattie, Q.C., Commissioner B. Lyttle, Commissioner
Commission Staff V. Slawinski (Commission Counsel) J. Halls W. Mackenzie D. Ploof

APPENDIX 2 – SUMMARY OF COMMISSION DIRECTIONS

1. In view of AESO’s explanation that final costs arising from the KEG transformer conversion project were not available by December 31, 2008, the Commission accepts AESO’s proposal to reflect any cost balance paid by AESO after December 31, 2008 in AESO’s 2009 deferral account reconciliation. In accordance with this finding, the Commission directs AESO to include any costs not already accounted for in the current application in its next deferral account reconciliation application. Paragraph 43