



January 7, 2010

*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: Reply 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. 1566390 and Proceeding ID 108**

- 1 The Alberta Electric System Operator (“AESO”) provides the following reply 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 No party has suggested that the AESO has not satisfactorily complied with the orders in Decision 2009-105.
- 3 Other than the AESO, only the Consumers Coalition of Alberta (“CCA”) submitted argument in this proceeding. In its argument, CCA stated that it had “no objections with respect to the calculations” provided by the AESO (paragraph 2) and that “the AESO’s compliance filing reflects the Commission’s directions” (paragraph 6).
- 4 CCA also submitted that “the operations and maintenance charge should apply to investments in excess of maximum investment levels as opposed to facilities in excess of AESO Standard Facilities as directed in Decision 2009-105” (paragraph 6, underlining in original). The AESO submits it is inappropriate to utilize a compliance filing proceeding to challenge the directions in a decision. As stated in the AESO’s argument (paragraph 9), such matters should more properly be debated at the time of the AESO’s 2010 tariff application,

- 5 In conclusion, the AESO submits that it has fully complied with the relevant orders in Decision 2009-105 and that its compliance filing should be approved as filed (including the corrected calculation provided with information response AUC.AESO-001).
- 6 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](mailto:leeann.kerr@aeso.ca).

Yours truly,

*"original signed by"*

Lee Ann Kerr  
Manager, Tariff Applications

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