



March 15, 2010

Dear Market Participants and Interested Parties:

Re: AESO Reply to Stakeholder Comments - Proposed Level II “Package 3” Amendments to and Removal of Existing ISO Rule Section G1 Definitions (“G1 Definitions Changes”)

In accordance with Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, please find attached the AESO reply to stakeholder comments regarding the G1 Definitions Changes. The proposed G1 Definitions Changes being recommended for internal AESO approval in March of 2010 are attached. Please note that the G1 Definitions Changes were initially distributed for consultation on January 28, 2010.

Transition of Authoritative Documents (“TOAD”) Reforms

The proposed G1 Definitions Changes and the related development and planned implementation of a consolidated definitions glossary are the result of the specific TOAD project. Under TOAD, the AESO is endeavoring to eliminate duplication, address conflicts and gaps and improve clarity among and within its three authoritative document domains: the ISO rules, the ISO tariff and the Alberta Reliability Standards. Information on the TOAD project can be found on the AESO website at www.aeso.ca.

Elimination of Duplication in the ISO Tariff

The G1 Definitions Changes contains further amendments and removals that are both substantive and non-substantive in nature, and represent definitions that have been standardized in conjunction with work on the ISO tariff. Specifically, certain third package G1 Definitions Changes are being proposed for removal because they are no longer used nor have a well understood industry meaning. Others are being added or modified in order to rationalize with legislative definitions.

AESO Reply to Stakeholder Comments

The AESO is required to provide a reply to market participant comments pursuant to Section 8 of the Alberta Utilities Commission (“Commission”) Rule 017. [Click here](#) to access the comment-reply matrix for the G1 Definitions Changes (amended) and [click here](#) to access the comment-reply matrix for the G1 Definitions Changes (removed).

The AESO proposed the removal of certain ISO Rules Section G1 Definitions. Stakeholder comments were received on one of the definitions being proposed for removal, that definition being “apparent power”. In the AESO’s opinion the definition was commonly



understood and did not need to be defined; whereas stakeholders commented that a definition was required.

In light of the above, after careful consideration of the comments received from market participants, the AESO has determined that further analysis is requirement on the definition for “apparent power” and that this definition will be excluded from the G1 Definitions proposed to be removed and will proceed filing the remaining proposed definition removals.

The AESO proposed amendments to certain ISO Rules Section G1 Definitions. Stakeholder comments were received regarding the inclusion or exclusion of volumes for the definitions of “real power, reactive power, metered demand and metered energy”. In addition, stakeholder comments were received on “power factor” regarding the reference to “apparent power” within definition; stakeholders felt that the term “apparent power” should be a defined term and identified as such within the definition of “power factor”.

In light of the above, after careful consideration of the comments received from market participants, the AESO has determined that further analysis is requirement on the definitions for “real power, reactive power, metered demand, metered energy and power factor” be excluded from the G1 Definitions proposed to be amended and will proceed filing the remaining proposed definitions amendments.

For ease of reference, the following Table is hyperlinked to provide assistance in directing stakeholders to the summary of the third package of G1 Definitions Changes and the attachments. The attached summaries provide more information on the G1 Definitions Changes including a brief explanation of the reason why these should be amended or removed.

Rule Number	Description	Level	Most relevant stakeholder interest
G1	Definitions (amended)	II	All Market Participants
G1	Definitions (removed)	II	All Market Participants

Pursuant to Section 9 of Commission Rule 017, please note the following:

1. The AESO will be filing the G1 Definitions Changes with the Commission on March 30, 2010.
2. Market Participants, as defined in the *Electric Utilities Act* (“EUA”), may object to an ISO rule filed with the Commission within 10 days of the publication by the Commission of the notice of filing of the ISO rule, in accordance with Section 20.4 of the EUA; and

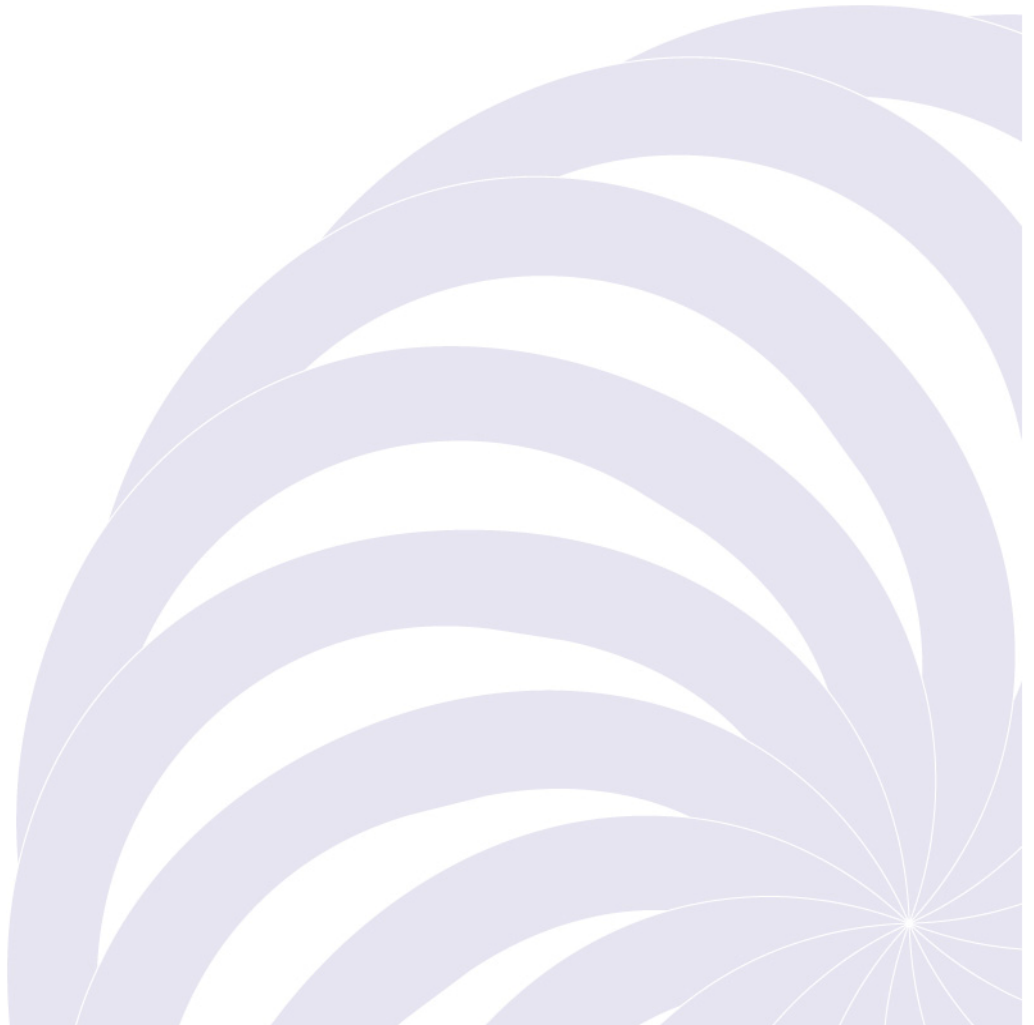


3. The G1 Definitions Changes are proposed to be effective on April 15, 2010, in accordance with Section 20.3 of the EUA.

Yours sincerely,

“original signed by”

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Final Proposed LEVEL II ISO Rule Changes

Level II changes are changes that are expected to have a moderate or low impact on the industry or the ISO, and generally require little or no effort by stakeholders for implementing a solution. They are provided to stakeholders to review to ensure that the expected impact is reasonable, to identify unrealized impacts and/or to provide notice of the potential change in administrative processes

ISO Rule Section G1 Definitions (amended)	
Rule Section/Number	G1 Definitions: <ul style="list-style-type: none"> • commissioning • electric distribution system • interchange transaction • ISO tariff • Market Surveillance Administrator • material adverse change • metering equipment • outage • point of delivery • point of interconnection • point of supply • settlement period • transmission facility
Summary of ISO Rule	
Summary of Amendment	The AESO is proposing changes to definitions and new defined terms in order to improve and standardize the language.



Level	II
Explanation of Confidentiality	None
Proposed Effective Date	April 15, 2010
AESO Contact	Regulatory Services, Evelyn Kelly, evelyn.kelly@aeso.ca , (403) 539-2468
Attachments	See attached: Comparison of final Changes to G1 Definitions

ISO Rule Section G1 Definitions (removed)

Rule Section/Number

G1 – Definitions:

- aggregation
- capacity benefit margin
- customer’s facilities
- data model
- dispatch log
- distributor
- E&G Act
- eligible dispute
- energization certificate
- forward contract
- incremental loss factor
- ISO FDRM
- ISO load forecast
- marketer
- measurement data
- measurement point definition record
- mediation oversight committee
- mediator
- meter data manager
- metering system
- non-dispensated metering equipment
- notice of eligible dispute
- PPA effective date
- shift factor
- STS capacity



	<ul style="list-style-type: none"> • STS contracting party
Summary of ISO Rule	
Reason for Removal	The AESO is proposing to remove definitions that are not used in the ISO rules and definitions that do not require a specific definition as their common industry meaning is sufficient.
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	April 15, 2010
AESO Contact	Regulatory Services, Evelyn Kelly, evelyn.kelly@aeso.ca , (403) 539-2468
Attachments	See attached: Rationale Document for final Removal of G1 Definitions