



March 11, 2010

Dear Market Participants and Interested Parties:

Re: AESO Reply to Stakeholder Comments - Proposed Level II Removal of:
a) Certain Existing ISO Rules Section G1 Definition; and
b) Existing OPP 1202 Peak Metered Demand Waiver;
(collectively “OPP 1202 Removal”)

In accordance with Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, please find attached the AESO reply to stakeholder comments regarding the OPP 1202 Removal. The proposed OPP 1202 Removal being recommended for internal AESO approval in March of 2010 is attached. Please note that the OPP 1202 Removal was initially distributed for consultation on February 4, 2010.

Transition of Authoritative Documents (“TOAD”) Reforms

The OPP 1202 Removal is the result of specific changes and reforms with respect to the TOAD Project. The AESO is proposing 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 ISO Tariff

OPP 1202 was reviewed in conjunction with the ISO tariff. It was determined the authoritative components of OPP 1202 contained unnecessary duplication, and that the subject matter was appropriately and adequately contained in the ISO tariff. This subject matter thus will remain as part of the proposed 2010 ISO tariff. The AESO is also proposing the removal from ISO Rules Section G1 the limited use definition “peak metered demand waiver”, as it only appears in OPP 1202.

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 OPP 1202 Removal.

The proposed removal of OPP 1202 – Peak Metered Demand Waiver eliminates overlap with provisions sets out in the current ISO tariff and the proposed 2010 ISO tariff. At the time stakeholder consultation commenced on the removal of OPP 1202 the AESO had not filed the proposed 2010 ISO tariff nor was a recent draft available for stakeholders. Stakeholders commented that from their perspective not all the authoritative provisions were in the current ISO tariff and because the proposed 2010 ISO tariff was not available stakeholders could not confirm whether or not all the authoritative provisions were appropriately contained in the ISO tariff.



As of this date the AESO is providing a detailed reply to the stakeholder comments that specifically set out how each provision was transitioned with regard to the proposed 2010 ISO tariff. The posting of the AESO reply now aligns with the March 4, 2010 filing with the Commission of the proposed ISO 2010 tariff. Stakeholders can now confirm that all of the necessary authoritative provisions are contained within the proposed ISO 2010 tariff.

In light of the above, after careful consideration of the comments received from market participants, the AESO has determined that the OPP 1202 Removal will continue as proposed.

For ease of reference, the following Table is hyperlinked to provide assistance in directing stakeholders to the summary of the OPP 1202 Removal and attachments. The attached summaries provide more information on the OPP 1202 Removal, including a brief explanation of the reason why this OPP should be removed.

| Rule Number | Description | Level | Most relevant stakeholder interest |
|-------------|--|-------|------------------------------------|
| G1 | Definition (removed) | II | All Market Participants |
| OPP 1202 | Peak Metered Demand Waiver | II | All Market Participants |

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

1. The AESO will be filing the OPP Removals with the Commission on March 29, 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 OPP 1202 Removal is proposed to be effective concurrently with the effective date of the 2010 ISO tariff.

Yours sincerely,

Original Signed By

Paul Glatthor
Manager, Authoritative Documents Process
Ph: (403) 539-2464
E-mail: paul.glatthor@aes0.ca



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 (removed) | |
|--|---|
| Rule Section/Number | Removal of G1 Definition: <ul style="list-style-type: none"> • peak metered demand waiver |
| Summary of ISO Rule | |
| Reason for Removal | The AESO proposes to remove the definitions as they are only referenced in OPP 1202 and will not be required once the OPP is removed. |
| Level | II |
| Explanation of Confidentiality | None |
| Proposed Effective Date | Concurrently with the effective date of the removal of OPP 1202. |
| AESO Contact | Regulatory Services, Evelyn Kelly, evelyn.kelly@ieso.ca , (403) 539-2468 |
| Attachments | See attached: Rationale Document for Final G1 Definitions to be Removed |



OPP 1202 – Peak Metered Demand Waiver

| | |
|--------------------------------|---|
| Rule Section/Number | Part 3, OPP 1202 Peak Metered Demand Waiver |
| Summary of ISO Rule | OPP 1202 describes the events which the AESO will consider when reviewing a peak metered demand waiver request and sets out the request process for customers requesting the AESO to consider a peak metered demand waiver. |
| Reason for Removal | The AESO proposes to remove OPP 1202 as the authoritative components of OPP 1202 are appropriately contained in the approved ISO tariff and remained as part of the proposed 2010 ISO tariff. |
| Level | II |
| Explanation of Confidentiality | None |
| Proposed Effective Date | Currently with the effective date of the 2010 ISO tariff. |
| AESO Contact | Regulatory Services, Evelyn Kelly, evelyn.kelly@aeso.ca , (403) 539-2468 |
| Attachments | See attached: Rationale Document for Final Removal of OPP 1202 |