May 27, 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: Wayne MacKenzie, Application Officer

Dear Wayne:

Re: Revised Response to DUC Information Request and Revised Rate FTS in AESO 2010 ISO Tariff Application, Application No. 1605961 and Proceeding ID 530

The Dual Use Customers (“DUC”) have contacted the AESO with respect to a response to an information request in the above-noted proceeding, and the AESO has determined it provided incorrect information in one response. The AESO has accordingly revised its response to DUC.AESO-001, to correct the explanation in part (c)(i) of that response with respect to the billing capacity values included in the bill impact analysis in Appendix I of the application.

In conversation with DUC, the AESO also understands that the average, rather than maximum, billing capacity would be more useful to DUC in part (e) of that response. The AESO has prepared Attachment DUC.AESO-001 (e) Revised to provide the average billing capacity value for each POD, as discussed in more detail in part (e) of revised information response DUC.AESO-001. Both the revised response and the revised attachment have been submitted via the Commission’s electronic proceeding system.

As well, the AESO has discovered an error in Fort Nelson Demand Transmission Service Rate FTS as included in the revised version of the proposed ISO tariff submitted as section 7 of the AESO’s application on May 5, 2010. The local system charge in that version of Rate FTS was based on the actual cost of the ATCO Electric (“AE”) line providing service to Fort Nelson.

However, as discussed in section 4.5.1 (pages 39-41, paragraph 179) of the application, the Rate FTS local system charge should be “the greater of the postage stamp rate for local wires costs or the actual cost of the AE line providing service to Fort Nelson.” Note 1 at the bottom of Table 5-12 Revised (dated May 5, 2010) in section 5 of the application provides that:

- the forecast costs of the Rate DTS postage stamp rate for local wires is $424,291; and
- the actual cost of the AE line providing service to Fort Nelson is $410,139.
The Rate DTS postage stamp rate for local wires is greater than the actual cost of the ATCO Electric line, and therefore determines the Rate FTS local system charge. A revised version of Rate FTS has been submitted via the Commission’s electronic application system to correct the local system charge. The AESO has not prepared revised section 5 tables due to the limited impact of this revision on other AESO rates.

This letter has been submitted in both the Commission’s electronic proceeding system and its electronic application system for the convenience of participants.

If you need any additional information related to these submissions, please contact me at 403-539-2465 in Calgary or by email to john.martin@aeso.ca.

Yours truly,

[original signed by]

John Martin
Director, Tariff Applications

cc: Heidi Kirrmaier, Vice-President, Regulatory, AESO
    Lee Ann Kerr, Manager, Tariff Applications, AESO
    April Walters, Executive Assistant, Regulatory, AESO