



July 5, 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: Jay Halls, Application Officer

Dear Jay:

Re: **AESO Reply Comments on Confidentiality Request in
AESO 2009 Deferral Account Reconciliation Application
Application No. 1606095 and Proceeding ID 589**

- 1 The Alberta Electric System Operator (“AESO”) provides the following reply comments on the above-noted application (“Application”), in accordance with the schedule set out in the June 14, 2010 letter of the Alberta Utilities Commission (“Commission”). The AESO has reviewed the comments filed by Capital Power Corporation (“CPC”) on June 18, TransAlta Corporation on June 25, and IPCAA on June 28.
- 2 The AESO supports CPC’s statement that the Keephills-Ellerslie-Genesee (“KEG”) unit transformers conversion cost review report (“KEG Report”) “contains detailed information including in respect of purchase orders, invoices from suppliers, and labour costs” as well as “[s]ensitive information relating to CPC employees.” CPC also stated that “such information is either commercial or private and consistently treated by CPC as confidential.”
- 3 TransAlta supported the KEG Report being treated as confidential information. IPCAA did not oppose the confidential nature of the information contained in the KEG report. As no party has provided evidence to the contrary, the AESO submits that the KEG Report, if required to be filed, should be held in confidence and used only for the purpose of this proceeding as initially requested in the AESO’s letter of June 10, 2010.
- 4 In its submission, IPCAA also proposed that the AESO, working with Capital Power, file a redacted version of the KEG Report with “sufficient detail to confirm the reasonableness and prudence of the project expenditures” and “a comparison with the subcomponents (such as labour, material, engineering and design, general and administrative and AFUDC) of the original cost estimate and the final costs and explanations of the cost variances by subcomponent.”

- 5 In response to IPCAA's proposal, the AESO has worked with CPC to prepare a redacted version of the KEG Report and a cost comparison. Both are provided in information response IPCAA.AESO-001 which, together with the other information responses, will be filed by the AESO later today.
- 6 The AESO submits that the redacted KEG Report, together with the cost comparison information, are sufficient to confirm that the project costs invoiced to the AESO were prudent, accurate, and complete. Therefore, there is no need to file the unredacted version of the KEG Report. However, if the Commission determines that the full report should be filed, the AESO submits that it be held in confidence as discussed above. In particular, the AESO notes and supports CPC's submission that the full and unredacted KEG Report should be disclosed to the Commission only.
- 7 If you need any additional information related to these comments, 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
Carol Moline, Director, Accounting & Treasury, AESO
Akira Yamamoto, Regulatory Affairs, Capital Power Corporation