



Alberta Electric System Operator

2009 Deferral Account Reconciliation
Interim Settlement

May 13, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-209: Alberta Electric System Operator
2009 Deferral Account Reconciliation – Interim Settlement
Application No. 1606095
Proceeding ID. 589

May 13, 2010

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1 BACKGROUND

1. The Alberta Electric System Operator (AESO) filed an application (2009 Application) on April 15, 2010, with the Alberta Utilities Commission (AUC or the Commission).
2. The 2009 Application sought approval of the AESO's first reconciliation of deferral accounts for 2009, the AESO's second reconciliation of deferral accounts for 2008, and the AESO's third reconciliation of deferral accounts for the years 2007, 2006, 2005, and 2004.
3. In the 2009 Application, the AESO also requested interim approval to immediately settle current deferral account amounts with customers.

2 REQUEST FOR INTERIM SETTLEMENT

4. In section 1.2 of the 2009 Application, the AESO requested approval to immediately settle current deferral account amounts with customers. The AESO noted that such settlement would be interim and refundable, and subject to adjustment in the Commission's final decision on the 2009 Application.
5. The AESO noted that it similarly requested and received interim approval to immediately settle deferral account amounts with customers in respect of its 2008 deferral account reconciliation application filed on April 9, 2009, and that this request was approved by the Commission in Decision [2009-074](#),¹ released on June 3, 2009.
6. The AESO noted that the deferral account balances in the 2009 Application are of similar magnitude to those in the 2008 Application, and represent a net surplus to be refunded to customers rather than a net shortfall to be collected as in the 2008 Application. The AESO also noted that stakeholders had expressed support for the AESO's request for approval to immediately settle the deferral accounts during a consultation process respecting the 2009 Application which was held by the AESO in March 2010.
7. The AESO submitted that its allocation of deferral account balances to customers has been prepared in the 2009 Application using the same methodology, and the same software program, as was used for its 2008 deferral account reconciliation application. The AESO further submitted that immediate interim settlement would provide prompt and accurate settlement of the outstanding deferral account balances with customers, and would be likely to render

¹ Decision 2009-074: Alberta Electric System Operator 2008 Deferral Account Reconciliation – Interim Settlement (Application No. 1604964, Proceeding ID. 186) (June 3, 2009).

reasonable results in the immediate and longer term. The AESO noted that if interim approval were to be issued before the end of May 2010, the AESO could financially settle amounts with customers in late June 2010.

8. In the Notice of Application (Notice) issued in respect of the 2009 Application dated April 15, 2010, the Commission took note of the AESO's request for approval of an immediate interim settlement with customers. In consideration of this request, the Commission requested that parties include comments in their Statements of Intent to Participate (SIPs) either supporting or opposing the AESO's request for immediate interim settlement. In response to the Notice, SIPs were filed by FortisAlberta Inc., the Industrial Power Consumers Association of Alberta, the Office of the Utilities Consumer Advocate (UCA), TransAlta Corporation and TransCanada Energy Ltd.

3 COMMISSION FINDINGS

9. The Commission notes that, with the exception of the UCA, all parties indicated in their SIPs that they supported the AESO's proposal for an immediate interim settlement of the 2009 Application deferral account balances. In its SIP, the UCA indicated neither support for nor opposition to the AESO's request for an immediate interim settlement. The Commission also notes the AESO's statement in section 1.2 of the 2009 Application that stakeholders expressed support for an immediate interim settlement during a consultation process held just prior to the date the 2009 Application was filed.

10. The Commission has also considered the AESO's evidence that the 2009 Application was prepared using the same software, methodology as was used to prepare the AESO's 2008 Application, and the fact that, in aggregate, the AESO expects to refund a greater amount to its customers than it expects to collect.² Considering these factors, the Commission is satisfied that there is a reasonable likelihood that the Commission's ultimate consideration of the 2009 Application will not result in significant changes to the amounts refunded to or collected from AESO customers. On balance, therefore, the Commission considers that the provision of refunds and/or collections from AESO customers, as applicable, as soon as possible is in the public interest.

² Exhibit 17, Application, Appendix G-1.

4 ORDER

11. IT IS HEREBY ORDERED THAT:

- (1) The interim settlement of the deferral account balances set out in the 2009 Application is approved as requested.
- (2) The AESO shall notify the Commission when the interim settlement has been completed.

Dated on May 13, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Carolyn Dahl Rees
Vice-Chair

(original signed by)

Bill Lyttle
Commissioner

(original signed by)

Tudor Beattie, Q.C.
Commissioner

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