

September 27, 2011

Dear Market Participants and Interested Parties:

RE: AESO Reply to Stakeholder Comments on Protection and Control (“PRC”) Reliability Standard Proposed for Adoption as Alberta Reliability Standard:
a) PRC-018-AB-1 Disturbance Monitoring Equipment installation and Data Reporting
b) New Definition for incorporation into AESO Consolidated Authoritative Documents Glossary.
(collectively “Proposed Reliability Standard”)

Section 19 of the *Transmission Regulation* requires the Alberta Electric System Operator (“AESO”) to consult with market participants likely to be directly affected by the AESO’s adoption or making of reliability standards, and also requires the AESO to forward proposed reliability standards to the Alberta Utilities Commission (“Commission”) for review along with the AESO’s recommendation that the Commission approve or reject them.

The AESO’s reply is set out in the attached AESO Replies Document, and a summary of the stakeholder comments received and the AESO’s reply to these comments is included below.

Background

On July 15, 2010, the AESO issued a [Letter of Notice](#) and commenced consultation on proposed PRC-018-AB-1 and requested stakeholder comments on the same.

The AESO received and considered stakeholder comments in response to its July 15, 2010 Letter of Notice, made further amendments to proposed PRC-018-AB-1 as a result of all written comments received, and is of the view that the additional amendments now warrant re-consultation. On October 27, 2011, the AESO commenced a second consultation on amendments to proposed PRC-018-AB-1 (“PRC-018-AB-1 Draft 2.1”).

AESO Reply to Stakeholder Comments

The written comments received by the AESO in response to proposed PRC-018-AB-1 attached to its July 15, 2010 Letter of Notice and the AESO’s replies to these comments are summarized below:

1. Stakeholder comments were received regarding the list of disturbance monitoring equipment and how this list will be managed. In response to these comments, the AESO confirmed that this list will be managed external to the Alberta reliability standard and adequate time will be provided to ensure compliance when new disturbance monitoring equipment is added;
2. Stakeholder comments were received regarding the use of “legal owner’ of a ‘transmission facility’”. In response to these comments, the AESO replied that it had consulted on defined terms and phrasing as part of the AESO’s Transition of Authoritative Document (“TOAD”) project, and has revised it’s functional model accordingly;

3. Certain stakeholders questioned and were concerned with the proposed effective date. In response to these comments, the AESO replied that the proposed effective date has been amended to October 1, 2012 in proposed PRC-018-AB-1 Draft 2.1, to allow participants adequate time to implement this reliability standard;
4. Certain stakeholders raised the issue of cost allocation for disturbance monitoring equipment. In response to these comments, the AESO replied that it considered the cost allocation matter to be outside of the scope of the development of the Alberta reliability standards. The AESO recommended that comments regarding the recovery of certain costs through the ISO tariff should, more appropriately, be brought forward during the AESO's general tariff application hearing.
5. Stakeholder comments were received questioning the use of the term 'confirmation' within the measures. In response to these comments, the AESO replied that it agrees with stakeholders that it is inappropriate for a market participant to potentially be non-compliant because they are awaiting confirmation activities originating from the AESO. In the AESO's opinion, it is more appropriate to require the market participant to retain evidence of complying with the measures, which may be produced to the AESO upon a compliance request. Accordingly, the AESO has amended the MR measures in proposed PRC-018-AB-1 Draft 2.1 and removed "confirmation" from the demonstration of compliance.
6. Stakeholders that the definition for 'disturbance monitoring equipment' was broader than the current list that the AESO had identified. In response to this comment, the AESO replied that the broader definition was appropriate in order to accommodate future technology changes

Attachments to AESO Reply

1. [AESO Replies](#) to the July 15, 2010 proposed PRC-018-AB-1, including stakeholder comments.

Yours sincerely,

Original Signed By

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Attachment