Alberta Electric System Operator
Errata to Decision 2011-476

2012 Balancing Pool Consumer Allocation Rider F

December 14, 2011
The Alberta Utilities Commission
Decision 2011-476 (Errata): Alberta Electric System Operator
Errata to Decision 2011-476
2012 Balancing Pool Consumer Allocation Rider F
Application No. 1607848
Proceeding ID No. 1537

December 14, 2011

Published by
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Calgary, Alberta

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2012 Balancing Pool
Consumer Allocation Rider F

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Application No. 1607848
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1. On December 6, 2011 the Alberta Utilities Commission (AUC or the Commission) issued Decision 2011-476.

2. Included in the decision, as Appendix 3, was a rate schedule in respect of the Alberta Electric System Operator’s (AESO’s) 2012 Balancing Pool Consumer Allocation Rider F. However, the appendix inadvertently presented a previous form of the Rider F rate schedule. Accordingly a correction is required to conform to the currently approved AESO tariff in respect of Rider F.

3. Section 48 of the Commission’s Rule 001: Rules of Practice indicates that “[t]he Commission may correct typographical errors, errors of calculation and similar errors made in any of its orders, decisions or directions.” Accordingly, this errata decision is issued to correct the error. Appendix 3 is the correct appendix in respect of Rider F.

Dated on December 14, 2011.

The Alberta Utilities Commission

(originally signed by)

Carolyn Dahl Rees
Vice-Chair
The Alberta Utilities Commission
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1 Introduction

1. On October 31, 2011, the Alberta Utilities Commission (AUC or the Commission) received an application from the Alberta Electric System Operator (AESO) for approval, pursuant to subsection 82(6) of the Electric Utilities Act S.A. 2003, c. E-5.1 (Electric Utilities Act), of a 2012 Balancing Pool Consumer Allocation Rider F providing a $5.50 per MWh credit to all demand transmission service (DTS) and demand opportunity service (DOS) customers, with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson, for consumption from January 1, 2012 through December 31, 2012 inclusive (application).

2. Additionally, the AESO proposed revisions to Rider F establishing the applicability, calculation methodology, publishing, and billing obligations of the AESO and market participants, thereby allowing the calculation of the actual credit or charge (in dollars per MWh) to be completed by the AESO using the approved methodology but without further specific approval of the Commission.

3. The Commission issued notice of application on November 2, 2011 to the standard electric utility mailing list. The notice advised that any interested parties must submit a statement of intent to participate (SIP) by November 16, 2011. A SIP was received from ENMAX Power Corporation (EPC) on November 15, 2011, which indicated that EPC did not intend to actively participate in the proceeding.

4. The Commission considers that the close of record for this proceeding occurred on November 16, 2011.

2 Rider F for 2012

5. Pursuant to the Electric Utilities Act, the Balancing Pool may make distributions from its revenues which are allocated to eligible consumers. These distributions are made through the AESO tariff pursuant to subsection 82(6)(b) of the Electric Utilities Act, through Rider F. The period for which this application is made, from January 1 to December 31, 2012, is the seventh year that such a distribution has been made. As well, the AESO confirmed that in accordance with the Alberta Energy and Utilities Board (board) Order U2006-307, the City of Medicine Hat and BC Hydro at Fort Nelson are ineligible for Rider F.

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6. Rider F was first approved as a $1.00 per megawatt-hour (MWh) credit for 2006 by the board through board Order U2005-464. Rider F was revised in subsequent years and approved as follows:

- as a $3.00 per MWh credit for 2007 consumption
- as a $5.00 per MWh credit for 2008 consumption
- as a $6.50 per MWh credit for 2009 consumption
- as a $4.00 per MWh credit for 2010 consumption subsequently amended to a $2.00 per MWh credit for July 1, 2010 through December 31 consumption and
- as a $2.00 per MWh credit for 2011 consumption

7. On October 26, 2011, the AESO received notification from the Balancing Pool of an annualized positive amount of $324.5 million to be incorporated into the AESO’s rates, pursuant to sections 30(2) and 82 of the Electric Utilities Act. The AESO proposed that the annualized amount should continue to be provided to all AESO DTS and DOS customers, with the exceptions of the City of Medicine Hat and BC Hydro at Fort Nelson, as a dollar per MWh amount, set at $5.50 per MWh credit effective from January 1, 2012 to December 31, 2012.

Commission findings

8. The Commission approves the application for a 2012 Balancing Pool consumer allocation Rider F to provide a $5.50/MWh credit to all DTS and DOS customers, with the exception of the City of Medicine Hat and BC Hydro at Fort Nelson, for consumption from January 1, 2012 through December 31, 2012 inclusive, pursuant to subsection 82(6)(a) of the Electric Utilities Act.

3 Proposed changes to processes for future Rider F proceedings

9. In the application, the AESO submitted that the substantive aspects of Rider F were established through early Rider F applications and proceedings, in accordance with the requirements set out in Section 82 of the Electric Utilities Act. The AESO also submitted that the most recent Rider F proceedings have provided little apparent value beyond satisfying the requirements of subsection 82(6) of the Electric Utilities Act. Accordingly, the AESO proposed a

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change to the Rider F structure to avoid the need for future proceedings and to improve regulatory efficiency.

10. Specifically, the AESO proposed that in addition to approving the Rider F requested in the current proceeding, the Commission would also generally approve a framework which would establish the applicability, calculation methodology, publishing, and billing obligations of the AESO and market participants for future proceedings. Under this approach, the calculation of the $/MWh credit or charge would then be completed by the AESO in an information document using the approved methodology but without specific approval of the Commission. The AESO submitted that its proposed approach satisfies the requirements of subsection 82(6) of the Electric Utilities Act which requires the Commission to approve the annualized amount and the allocation of the annualized amount to market participants.

Commission findings

11. Subsection 82(6) of the Electric Utilities Act states:

(6) The Commission must

(a) approve the annualized amount provided to the Independent System Operator by the Balancing Pool, without modification, and

(b) approve, with or without modification, the allocation of the annualized amount to the owners of electric distribution systems, industrial systems and persons that have made arrangements under section 101(2).

12. The legislation requires that the Commission approve, both the annualized amount provided to the AESO by the Balancing Pool, without modification, and the allocation of the annualized amount, with or without modification. Given this, the Commission considers that upon receiving notification from the Balancing Pool of a revised annualized amount, the AESO must file an application for approval of Rider F by the Commission.

13. Consequently, the Commission directs the AESO to continue filing applications requesting the Commission’s approval of any change in the annualized amount and the related allocation of the annualized amount to customers, as stated in subsection 82(6) of the Electric Utilities Act.
4 Order

14. It is hereby ordered that:

   (1) The applied for Balancing Pool Consumer Allocation Rider F, as included in Appendix 3 of this decision, is approved, effective January 1, 2012 to December 31, 2012.

   (2) The AESO shall continue to file an application for approval of changes to the Balancing Pool consumer allocation Rider F as is required in Section 82 of the Electric Utilities Act.

Dated on December 6, 2011.

The Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Vice-Chair
Appendix 1 – Proceeding participants

<table>
<thead>
<tr>
<th>Name of organization (abbreviation)</th>
<th>counsel or representative</th>
</tr>
</thead>
</table>
| Alberta Electric System Operator (AESO) | J. Martin  
|                                     | R. Sharma  
|                                     | M. MacLachlan  
|                                     | N. Weigel  |
| ENMAX Power Corporation (EPC)       | H. Johansen  
|                                     | J. Schlauch  
|                                     | R. Lottermoser  |
| The Alberta Utilities Commission    |                           |
| Commission Panel                   | C. Dahl Rees, Vice-Chair |
| Commission Staff                   | S. Ramdin (Commission counsel)  
|                                     | S. McCrady  
|                                     | O. Vasetsky  
|                                     | J. Halls |
Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. Consequently, the Commission directs the AESO to continue filing applications requesting the Commission’s approval of any change in the annualized amount and the related allocation of the annualized amount to customers, as stated in subsection 82(6) of the Electric Utilities Act. .............................................................................................................. Paragraph 13
Appendix 3 – Alberta Electric System Operator Rider F

Applicability

1(1) Rider F applies to system access service provided under:

(a) demand transmission service Rate DTS; and
(b) demand opportunity service Rate DOS.

(2) Notwithstanding subsection 1(1) above, Rider F does not apply to system access service provided to:

(a) the City of Medicine Hat; or
(b) BC Hydro at Fort Nelson, British Columbia.

(3) Rider F applies in all settlement periods from January 1, 2012 to December 31, 2012.

Rider

2(1) Rider F is a credit of $5.50/MWh of metered energy during the settlement period.

(2) For the market participants receiving system access service from the ISO under subsection 1 above, Rider F refunds or collects an annualized amount estimated by the Balancing Pool and transferred to the ISO under section 82 of the Act.

Terms

3 The terms and conditions of the ISO tariff form part of this rider.

Revision History

Effective Description