October 21, 2014

Alberta Utilities Commission
Fifth Avenue Place, Fourth Floor
425 – 1st Street SW
Calgary, Alberta T2P 3L8

Dear Sir or Madam:

Re: AESO 2015 Rider F Application

1 Please find enclosed the 2015 Balancing Pool Consumer Allocation Rider F Application of the Independent System Operator, operating as the Alberta Electric System Operator (AESO). This application is made pursuant to subsection 82(6) of the Electric Utilities Act (Act) under which the AESO receives approval from the Alberta Utilities Commission (Commission) for the allocation of the annualized amount which the Balancing Pool estimates and transfers to or from the AESO.

2 The Balancing Pool notified the AESO of a positive annualized amount of $319,891,000 for 2015 and recommended that the annualized amount be refunded as a $5.50/MWh credit, the same level as approved in the current Rider F. The AESO accepts the Balancing Pool’s recommendation and further proposes that all substantive aspects of Rider F, including applicability criteria, continue unchanged from the currently-approved rider.

3 Based on the written proceedings held for the AESO’s previous Rider F applications, the AESO requests this application also be reviewed through a written process.

4 Please direct all correspondence relating to this application to:

John Martin  Raj Sharma
Director, Tariff Applications  Senior Tariff Analyst
Alberta Electric System Operator  Alberta Electric System Operator
2500, 330 – 5th Avenue SW  2500, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4  Calgary, Alberta T2P 0L4
Phone: 403-539-2465  Phone: 403-539-2632
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Email: john.martin@aeso.ca  Email: raj.sharma@aeso.ca
Melissa Mitchell-Moisson  
Senior Regulatory Coordinator  
Alberta Electric System Operator  
2500, 330 – 5th Avenue SW  
Calgary, Alberta T2P 0L4  
Phone: 403-539-2948  
Fax: 403-539-2524  
Email: melissa.mitchell-moisson@aeso.ca

If you have any questions on this application or need additional information, please contact John Martin at 403-539-2465 or by email to john.martin@aeso.ca.

Yours truly,

Heidi Kirrmair  
Vice-President, Regulatory

cc: John Martin, Director, Tariff Applications, AESO  
Raj Sharma, Senior Tariff Analyst, AESO  
Stephanie Harland, Regulatory Coordinator, AESO
Alberta Electric System Operator
2015 Balancing Pool Consumer Allocation
Rider F Application

Date: October 21, 2014
Prepared by: Alberta Electric System Operator
Prepared for: Alberta Utilities Commission
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   A Balancing Pool Notice
   B Proposed Rider F, Balancing Pool Consumer Allocation Rider
1 Application

This application is made pursuant to subsection 82(6) of the Electric Utilities Act, S. A. 2003, c. E-5.1, (Act) for approval of Rider F, Balancing Pool Consumer Allocation Rider, to refund or collect an annualized amount which the Balancing Pool estimates and transfers to or from the Independent System Operator, operating as the Alberta Electric System Operator (AESO). Rider F provides a credit or charge applicable to all system access services provided under Rate DTS, Demand Transmission Service, and Rate DOS, Demand Opportunity Service, with the exceptions of such services provided to the City of Medicine Hat and BC Hydro at Fort Nelson.

2 Under subsection 82(4) of the Act, the Balancing Pool must notify the AESO of an annualized amount for each fiscal year. The Balancing Pool has notified the AESO of positive annualized amounts for each calendar year since 2006. On October 15, 2014, the Balancing Pool provided notice to the AESO of a positive annualized amount of $319,891,000 for 2015.

3 Under subsections 82(5) and 30(2)(b) of the Act, the AESO must include the annualized amount in the ISO tariff. The AESO proposes to refund the annualized amount through a $5.50/MWh credit to all system access services under Rate DTS and Rate DOS (with the exceptions of services provided to the City of Medicine Hat and BC Hydro at Fort Nelson). This approach is similar to that used to refund prior annualized amounts.

4 In accordance with subsection 82(6) of the Act, in this application the AESO is requesting the approval of the Alberta Utilities Commission (Commission) of:

(a) the annualized amount provided by the Balancing Pool to the AESO for 2015; and

(b) the refund of the annualized amount through a $5.50/MWh credit as described in more detail in this application.

2 Background

Rider F was first approved as a $1.00/MWh credit for 2006 consumption by the Alberta Energy and Utilities Board (Board), the predecessor of the Commission, through Board Order U2005-464. Rider F was revised in subsequent years and approved as follows:

- as a $3.00/MWh credit for 2007 consumption in Board Order U2006-332;
- as a $5.00/MWh credit for 2008 consumption in Board Order U2007-309;
- as a $6.50/MWh credit for 2009 consumption in Commission Order U2008-356;
- as a $4.00/MWh credit for 2010 consumption in Commission Decision 2009-239, subsequently amended to a $2.00/MWh credit for consumption from July 1 through December 31, 2010, in Commission Decision 2010-257;
- as a $2.00/MWh credit for 2011 consumption in Commission Decision 2010-564;
- as a $5.50/MWh credit for 2012 consumption in Commission Decision 2011-476;
- as a $5.50/MWh credit for 2013 consumption in Commission Decision 2012-306; and
- as a $5.50/MWh credit for 2014 consumption in Commission Decision 2013-425.

In its notices to the AESO, the Balancing Pool has recommended that the annualized amount be refunded to consumers as a $/MWh credit. That approach has been followed in Rider F to date, and the AESO continues to accept the Balancing Pool’s recommendation. The AESO notes that in accordance with Board Order U2006-307, the City of Medicine Hat and BC Hydro at Fort Nelson are ineligible for Rider F.
3 2015 Rider F

In this application the AESO proposes that all substantive aspects of Rider F, including applicability criteria and use of a $/MWh refund approach, continue unchanged from the 2014 Rider F which is currently in effect. The substantive aspects of Rider F were established through the early Rider F applications and proceedings, in accordance with the requirements set out in section 82 of the Act.

The Balancing Pool notified the AESO of a positive annualized amount of $319,891,000 for 2015. A copy of the Balancing Pool’s notice to the AESO is included as Appendix A of this application.

The AESO has confirmed the proposed $5.50/MWh credit for Rider F is expected to refund the annualized amount to market participants receiving service under Rate DTS and Rate DOS (excluding the City of Medicine Hat and BC Hydro at Fort Nelson), on a forecast basis.

The proposed Rider F is included as Appendix B of this application. The formal and language of the proposed Rider F is the same as that currently approved for Rider F in Commission Decision 2013-425.

4 Relief Requested

Accordingly, based on the foregoing, the AESO requests approval of Rider F, Balancing Pool Consumer Allocation Rider, provided as Appendix B of this application, to provide a $5.50/MWh credit effective from January 1 to December 31, 2015.

No objections have been received in any of the AESO’s previous Rider F applications. Although some parties have registered to participate in each previous proceeding, none have opposed the AESO’s application and in each case the application has been approved as filed.

As this application proposes that all substantive aspects of Rider F, including applicability criteria and use of a $/MWh refund approach, continue unchanged from the currently-approved rider, the AESO requests that the Commission review this application through an expedited written process.

All of which is respectfully submitted this 21st day of October, 2014.

Alberta Electric System Operator

Per: 

Heidi Kirrmaier
Vice-President, Regulatory
October 15, 2014

Ms. Heidi Kirrmaier, Vice-President, Regulatory
Alberta Electric System Operator
Suite 2500, 330 – 5th Avenue SW
Calgary, AB T2P 0L4

RE: AESO 2015 Tariff Application

Dear Ms. Kirrmaier:

The Balancing Pool has announced a consumer allocation of $5.50 per MWh of consumption for an estimated annualized amount of $319,891,000. Pursuant to Section 30(2) (b) of the Electric Utility Act, any such allocation must be included in the AESO’s tariff.

Please consider this our formal request to have this included as part of the AESO’s tariff effective January 1 to December 31, 2015.

If you have any questions, please contact the undersigned at (403) 539-5353.

Sincerely,

Bruce Roberts
President and CEO

CC John Martin, Alberta Electric System Operator
Applicability

1(1) Rider F applies to system access service provided under:
   (a) Rate DTS, Demand Transmission Service; and
   (b) Rate DOS, Demand Opportunity Service.

(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, 2015 to December 31, 2015.

Rider

2(1) The ISO must determine Rider F as a credit of $5.50/MWh of metered energy during the settlement period.

(2) The ISO must determine Rider F to refund or collect an annualized amount estimated by the Balancing Pool and transferred to the ISO under section 82 of the Act, for the market participants receiving system access service from the ISO under subsection 1 above.

Terms

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

Revision History

<table>
<thead>
<tr>
<th>Effective</th>
<th>Description</th>
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<tbody>
<tr>
<td>2014-10-21</td>
<td>Updated to reflect $5.50/MWh credit for 2015 consumption, as applied for in 2015 Rider F Application.</td>
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<tr>
<td>2013-01-01</td>
<td>Updated to reflect $5.50/MWh credit for 2013 consumption, as approved in Commission Decision 2012-306 issued on November 14, 2012.</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Updated to reflect $5.50/MWh credit for 2012 consumption, as approved in Commission Decision 2011-476 issued on December 14, 2011.</td>
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<tr>
<td>2011-07-01</td>
<td>Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.</td>
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