



28 April, 2005

Ms. Colleen Fairhead
Alberta Electric System Operator
Via email: Colleen Fairhead [colleen.fairhead@aeso.ca]

Dear Colleen;

RE: Export Must Run Service Paper

Attached are ATCO Power's comments on the above referenced paper. We appreciate the opportunity to provide comment and welcome the AESO's efforts to address this issue.

Should you have any questions regarding these comments, please feel free to contact me at 209-6918.

Sincerely,

Carl Fuchshuber
Senior Manager, Commercial
ATCO Power Ltd.

ATCO Comments on AESO Export Must Run Service Discussion Paper

ATCO Power supports the concept of XMR. Paying Southern Alberta qualified generators to run to provide increased TTC appears attractive. However, the parties willing to pay for XMR need to be assured they will receive the additional TTC created or they will quickly lose interest in purchasing the service. We do not agree this would be contrary to an open access tariff.

Similarly, when AESO suggests that the SC will continue the current practice of adjusting TTC for forecast errors and unplanned contingencies, this cannot be at the expense of the XMR purchaser. If a party has purchased XMR generation and that generation is running as must run to provide TTC service, the AESO SC should be required to move to another resource to meet his requirements. The TTC created through the purchase of XMR should now be considered as a firm load obligation.

ATCO Power is also not clear on the timing proposed in the purchase of XMR and the real time TTC recalculation. Ideally, XMR should be available for purchase at least one day ahead to facilitate firm schedules in the pre-schedule market. Once XMR has been purchased, an obligation to provide is created. If conditions change in real time, the pre-scheduled export should still be considered firm, although more TTC could be created and made available in the hourly non-firm market as happens now.

Base load generators should continue to be included in the day ahead TTC calculation. If they are subsequently dispatched off due to offer strategy, then TTC that was made available based on their availability would be reduced. It should still not reduce the XMR based TTC.