



August 12, 2009

Dear Market Participants and Interested Parties:

**Re: AESO Response to Stakeholder comments on Proposed Level I Changes to Existing ISO Rule 1.8 “Appointment of Agent” and removal of ISO rule 1.10 “Market Participant Behavior Guidelines”, required to implement the Fair, Efficient and Open Competition Regulation (the “FEOC Regulation”)**

The amendments to existing ISO Rules 1.8 and 1.10 were initially distributed for consultation on June 26, 2009. These rule amendments are complementary to the new provisions of the FEOC Regulation, which comes into force on September 1, 2009. The following summarizes the key amendments:

1. The definition of "agent" in Section G1 of the ISO rules is being updated:
  - a) specifically with respect to ISO rule 1.8, to clarify that the subject responsibilities are of a pool participant not a market participant; and
  - b) to incorporate a more general definition of “agent” that the AESO may use for other rule purposes in the future. The latter is simply a placeholder definition, and will be the subject of specific application or procedure elaborations when used in a rule at some future point in time.
  
2. Under rule 1.8, the AESO will continue to function as the administrator of agency appointments whereby a pool participant may appoint an agent to represent the pool participant in certain dealings with the AESO. The FEOC Regulation under Section 3 prohibits the sharing of records that are not made available to the public. Section 3(2) of the FEOC Regulation allows for certain exemptions from the prohibition. Among the exemptions are those related to an agency between affiliates, or between any two persons for the sole purpose of financial settlement.

If a pool participant wishes to appoint an agent to act on its behalf in records dealings with the AESO and such relationship otherwise is disallowed by Section 3 of the FEOC Regulation, then the participant will need to seek an order from the Alberta Utilities Commission before the AESO will approve of such a relationship, as contemplated under Section 3(3) of the FEOC Regulation.



Section 1.8 revisions have been made so that the AESO's agency appointment approval process reflects these provisions of the FEOC Regulation.

3. The AESO also is proposing to remove ISO rule 1.10 - Market Participant Behavior Guidelines, as the explicit market participant obligations that currently exist in this ISO rule are contemplated in the FEOC Regulation and, in any event, now are the responsibility of the MSA.

The AESO has received market participant comments on the proposed rule changes, and is required to provide responses pursuant to Section 8 of the Alberta Utilities Commission ("Commission") Rule 17. [Click here](#) to access the comment-response matrix for the proposed amendments ISO Rules 1.8 and 1.10.

In addition, the AESO has prepared Information Document 2009-001 to further explain the necessary changes to the cited ISO rules and any related administrative and procedural changes. Please [click here](#) to access Information Document 2009-001. The AESO has updated its *Amended Agency Appointment Request Form*. Please [click here](#) to access that document. The AESO has also prepared a Frequently Asked Questions document on Short Term and Monthly Outage Graphs. [Click here](#) to access this document.

Pursuant to Section 9 of Commission Rule 017, please note the following:

1. After internal AESO approval, the AESO will file changes to existing ISO Rule 1.8 and ISO Rule 1.10 with the Commission on August 27, 2009;
2. Market Participants, as defined in the *Electric Utilities Act* ("EUA"), may object to an ISO rule filed with the Commission within 10 days of the publication by the Commission of the notice of filing of the ISO rule, in accordance with Section 20.4 of the EUA; and
3. The amendments to ISO Rules 1.8 and 1.10 are proposed to be effective on September 11, 2009, in accordance with Section 20.3 of the EUA.

Yours truly,

<original signed by>

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