



April 30, 2009

Dear Market Participants and Interested Parties:

Re: Letter of Notice – Proposed Level II Changes to Existing ISO Rule Definition for “Direction” and Preface to ISO Rules

Pursuant to Section 2(1) of the Alberta Utilities Commission (“Commission”) Rule 017, the Alberta Electric System Operator (AESO) is providing notice and seeking feedback on ISO Rule changes that are being considered for recommendation to the AESO Executive Rules Committee (“ERC”) in July 2009.

In terms of context, the AESO was recently asked by a Transmission Facility Owner for the meaning of the term “direction”. Upon AESO review of this ISO Rule definition it became apparent that the current definition is too narrow since it does not include all directions the AESO may issue.

While not formally part of the AESO Transition of Authoritative Documents (“TOAD”) project¹, broadening of the definition to include all directions the ISO may issue in accordance with legislation, regulations and ISO Rules advances the TOAD objective relating to the clarification of AESO authority. With this in mind, the AESO proposes that the definition be broadened.

The second proposed change involves revision of the ISO Rules Preface in order to update information.

For your consideration, attached are summaries of the proposed ISO Rule changes, including a brief explanation of the reason for the change. If you are interested in a particular ISO Rule, the following grid is hyperlinked to provide assistance in directing you to the ISO Rule of interest.

Rule Number	Description	Level	Most relevant stakeholder interest
Preface	Preface	II	All Market Participants
G1 Definitions	ISO Rule Definition for “Direction”	II	All Market Participants

¹ Information on the AESO Transition of Authoritative Documents process can be found on the AESO website by following these links: <http://www.aeso.ca/rulesprocedures/15981.html>



Comments and suggestions on the ISO Rule changes being proposed are encouraged. Please use the comment matrix provided when submitting comments to the AESO on the proposed ISO Rule changes. Click [here](#) to access the comment matrix for the proposed ISO Rule changes. Only written comments will be considered in finalizing the ISO Rule changes.

Please provide feedback or questions by **Friday, May 29, 2009** to the *individual* specified within the ISO Rule change description below.

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder comments received along with AESO responses will be published with the final proposed ISO Rule changes being submitted to the ERC for approval in July 2009.

Yours sincerely,

Original Signed By

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Proposed LEVEL II ISO Rule Changes

Level II changes are changes that are expected to have a moderate or low impact on the industry or the ISO, and generally require little or no effort by stakeholders for implementing a solution. They are provided to stakeholders to review to ensure that the expected impact is reasonable, to identify unrealized impacts and/or to provide notice of the potential change in administrative processes.

Preface to ISO Rules	
Rule Section/Number	Preface
Summary of ISO Rule	The ISO Rules preface briefly describes the origin and scope of the ISO Rules document.
Summary of Amendment	Proposed amendment of the existing Preface is required in order to update information.
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	August 20, 2009
AESO Contact	Manager Regulatory Services, David Michaud, david.michaud@aes0.ca , (403) 539-2471
Attachments	See attached: Comparison and Rationale for Revision to Preface to ISO Rules



ISO Rule Definition for “Direction”

Rule Section/Number	G1 – Definitions (The term “Direction”)
Summary of ISO Rule	The current ISO Rule definition of the term “direction” only refers to AESO directions to Transmission Facility Owners, for those Transmission Facility Owners to submit transmission facility proposals to the EUB
Summary of Amendment	Proposed amendment of the ISO Rule definition of the term “direction” is required in order to broaden the definition to include all directions the ISO may issue in accordance with legislation, regulations and ISO Rules
Level	II
Explanation of Confidentiality	None
Proposed Effective Date	August 20,2009
AESO Contact	Manager Regulatory Services, David Michaud, david.michaud@ieso.ca , (403) 539-2471
Attachments	See attached: Comparison and Rationale for Revisions to ISO Rule Definition for Direction