

November 9, 2017

To: Market Participants and Other Interested Parties

Re: **Alberta Electric System Operator (“AESO”) Reply to Market Participant Comments – Proposed Amended Section 501.10 of the ISO Rules, *Transmission Loss Factors* (“proposed amended Section 501.10”)**

On October 10, 2017, the AESO issued a [Letter of Notice](#) regarding the proposed amended Section 501.10 and requesting market participant comments on the same.

The AESO made amendments to the proposed amended Section 501.10 in response to market participant comments received, which are reflected in the attached blackline.

AESO Replies to Market Participant Comments

On October 31, 2017, the AESO posted [written comments](#) received regarding the proposed amended Section 501.10. In accordance with Section 8 of Alberta Utilities Commission (“AUC” or “Commission”) Rule 017, the AESO is providing replies to market participant comments. The AESO's replies to comments, including the rationale or basis for the position of the AESO that explains why certain positions were rejected or accepted, are set out in the attached Market Participant Comment and AESO Replies Matrix.

Filing of the Final Proposed Amended Section 501.10

The AESO expects to file the final proposed amended Section 501.10 with the Commission on November 27, 2017.

In accordance with Section 20.4 of the *Electric Utilities Act* (“EUA”), market participants may object to an ISO rule filed with the Commission within ten (10) days of the publication of the Notice of Filing.

In accordance with Section 20.3 of the EUA, if no notice of objection is filed under Section 20.4, the final proposed amended Section 501.10 are proposed to become effective on the 10th day after the day on which notice of the ISO rule is published by the AUC.

Attachments to AESO Reply Letter

The following documents are attached:

1. [Market Participant Comments and AESO Replies Matrix on the proposed amended Section 501.10](#); and
2. [Blackline](#) and [clean](#) copies of the final proposed amended Section 501.10.

If you have any questions, please contact the undersigned.

Sincerely,

"Maria Gray"

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Attachments