

Alberta Electric System Operator 2020 Deferral Account Reconciliation Application

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1 Introduction

- 1 Pursuant to sections 30 and 119 of the *Electric Utilities Act*, S.A. 2003, c. E-5.1 (“Act”), the Alberta Electric System Operator (“AESO”) applies to the Alberta Utilities Commission (“Commission”) for approval of the AESO’s determination of deferral account balances for the production year 2020; and of changes to deferral account balances for the production years 2012 to 2019.
- 2 This application seeks approval of the reconciled variances arising between the actual costs the AESO has incurred in providing system access service and the actual revenue recovered through Rate DTS of the Independent System Operator (“ISO”) tariff, *Demand Transmission Service* (“Rate DTS”) (“base rate” revenue); ISO tariff revenue offsets;² and prior ISO tariff deferral account reconciliations.³ This application also seeks approval of the allocation, collection, and refund of deferral account balances to market participants who received system access service under Rate DTS, or Rate FTS of the ISO tariff, *Fort Nelson Demand Transmission Service* (“Rate FTS”) during 2012 to 2020.
- 3 The balances included in this application result in a \$17.3 million net deferral account surplus after applying charges and refunds resulting from adjustments to Rider C of the ISO tariff, *Deferral Account Adjustment Rider* (“Rider C”)⁴ as well as any prior deferral account reconciliation settlements. The \$17.3 million net surplus is summarized in Table 1-1 below.

Table 1-1 Annual Deferral Account Balances Summary, \$000 000

Production Year	(Shortfall) Surplus Amount	Reconciliation No.	Previous Reconciliation Application	Previous Reconciliation Production Year Cut-off Date	Approved DAR Methodology (Commission Decision No.) *
2020	\$15.3	1	-	-	22942-D02-2019
2019	(1.5)	2	2019 DAR	Dec 31, 2019	22942-D02-2019
2018	(0.5)	3	2019 DAR	Dec 31, 2019	22942-D02-2019
2017	(0.3)	3	2019 DAR	Dec 31, 2019	22942-D02-2019
2016	(0.9)	4	2019 DAR	Dec 31, 2019	23802-D02-2018
2015	0.1	5	2019 DAR	Dec 31, 2019	21735-D02-2017
2014	(1.3)	6	2019 DAR	Dec 31, 2019	20866-D01-2016
2013	(1.4)	6	2019 DAR	Dec 31, 2019	20866-D01-2016
2012	7.7	7	2019 DAR	Dec 31, 2019	2014-034
Total	\$17.3				

* Commission Decision Number provided indicates when the methodology was approved by the Commission for the first reconciliation of that production year.

- 4 This application includes significant reconciled variance amounts that were accounted for between, and are inclusive of, January 1, 2020 and December 31, 2020. These reconciled variance amounts are referred to throughout the document as the Period Adjustments. Reconciled variance amounts for

² “Tariff revenue offsets” comprise revenue collected or refunded other than through base Rate DTS, where such revenue relates to system access services provided under the ISO tariff. Additional detail is provided in Appendix D-4, *Other Revenue Detail by Production Month (2012 to 2020)*.

³ Deferral account reconciliation is referred to also referred to as “DAR” throughout this application.

⁴ In accordance with section 3 of Rider C of the ISO tariff.

previous periods are referred to as the Prior-Period Adjustments. The AESO is requesting approval for the Period Adjustments and Prior-Period Adjustments included in Table 1-2 below.⁵

Table 1-2 Significant Deferral Amounts

Applicable Legal Owner of a Transmission Facility ("TFO")	Production Year	Variance Over (Under) (\$000 000) and Baseline Reference Document	Commission Decision	Date Decision Issued
ENMAX Power Corporation	2020	(9.8) change from 2020 ISO tariff forecast	25738-D01-2020, ENMAX Power Corporation's ("EPC") 2018-2020 General Tariff Compliance Filing (Corrigenda)	August 6, 2020
ATCO	2012	(7.8) change from 2019 DAR	25521-D01-2020, ATCO Electric's 2 nd Hanna Region Transmission Development Deferral Account Compliance Filing	June 17, 2020

5 This application also seeks approval to collect and refund the deferral amounts from or to market participants included in this application through one-time charges or payments to market participants, on an interim refundable basis as described further in section 1.3 of this application. Amounts collected or refunded to market participants on an interim refundable basis will be adjusted, if necessary, in accordance with the Commission's final approval of this application.

1.1 Background

6 The ISO tariffs in effect during the years addressed in this application, their effective dates, and related Commission decisions and orders are provided in Table 1-3 below.

Table 1-3 Summary of ISO Tariff Decisions

Date ISO Tariff Effective	Commission Decision No.	Date Decision Issued
July 1, 2011	2011-275	June 24, 2011
October 1, 2013	2013-325	August 28, 2013
	2014-242	August 21, 2014
July 1, 2015	3473-D01-2015	June 17, 2015
April 1, 2016	21302-D01-2016	March 31, 2016
January 1, 2017	22093-D01-2016	December 2, 2016
January 1, 2018	23065-D01-2017	November 28, 2017
January 1, 2019	24036-D01-2018	December 18, 2018
April 1, 2020	25175-D01-2020	February 28, 2020
January 1, 2020	26054-D01-2020	December 18, 2020

7 In accordance with section 14 of the Act, the AESO is managed so that, on an annual basis, no profit or loss results from the AESO's operation. Deferral accounts allow the AESO to address differences between actual costs and revenue incurred in providing system access service to market participants.

⁵ Additional detail on all wires costs amounts is provided in Appendix D-5, *Wires Forecast Detail (2012 to 2020)*.

8 Each of the ISO tariffs in effect during the years addressed in this application include Rider C, which recovers or refunds accumulated deferral account balances and restores the deferral account balance to zero (0) over the following calendar quarter, or such longer period as is determined by the ISO to minimize rate impact.

9 Rider C allows the AESO to manage its deferral account balances throughout the year. However, the AESO's deferral accounts are also subject to later reconciliation. Under the deferral account methodology most recently approved by the Commission,⁶ the AESO reconciles, on a retrospective basis, the actual costs it has incurred in providing system access service with the revenues recovered relating to the provision of that service. For each reconciliation, costs and revenues are attributed to the time period during which system access service was provided, which is referred to as reconciliation on a “production year” basis.

10 The reconciliation of deferral account balances and the associated allocation of those balances to market participants for the years included in this application have previously been approved by the Commission in the deferral account reconciliation decisions listed in Table 1-4 below.

Table 1-4 Summary of Deferral Account Reconciliation Decisions

AESO Application	Commission Decision No.	Date Decision Issued
2012 Deferral Account Reconciliation	2014-034	February 13, 2014
2013-2014 Deferral Account Reconciliation	20866-D01-2016	January 14, 2016
2015 Deferral Account Reconciliation	21735-D02-2017	March 14, 2017
2016 Deferral Account Reconciliation	23802-D02-2018	November 23, 2018
2017-2018 Deferral Account Reconciliation	24910-D01-2019	December 11, 2019
2019 Deferral Account Reconciliation	25768-D01-2020	November 2, 2020

11 No transactions occurred from January 1, 2020 to December 31, 2020 that related, either in whole or in part, to any year prior to 2012. Accordingly, no deferral account reconciliations or adjustments are included in this application for years prior to 2012.

12 This application provides a first reconciliation of the 2020 deferral account balances shown in Table 1-1 above. The deferral account reconciliations for production year 2020 have been prepared on a retrospective, annual, and production year basis. This 2020 deferral account reconciliation application relies on the final approval granted by the Commission in Decision 22942-D02-2019⁷ to apply the revised deferral account reconciliation methodology for the 2017 and future production years discussed further in Section 2.2 below.

13 This application provides subsequent reconciliations for the 2012 to 2019 deferral account balances shown in Table 1-1 above. The deferral account reconciliations for the years 2012 to 2016 have been prepared on a retrospective, monthly, and production month basis. The method used in the preparation of these reconciliations is consistent with the method used in all reconciliations from 2004 to 2016, as reviewed and approved by the Commission.

⁶ Decision 22942-D02-2019 at para. 279.

⁷ Approved on a final basis in Decision 22942-D02-2019, 2018 ISO Tariff at para. 279. The AESO filed its 2018 ISO Tariff Compliance Filing and 2020 Tariff Update Application on January 31, 2020, which did not require any updates to the deferral account reconciliation methodology approved in Decision 22942-D02-2019.

14 The deferral account reconciliation methodology establishes the AESO's process to calculate the balances that are charged or refunded to market participants on a production year or monthly basis. More detailed discussion of the annual deferral account balances is provided in the relevant sections of this application.

1.2 Interim Settlement with Market Participants

15 The AESO requests that the Commission approve this application on both an interim refundable and final basis. Interim approval is requested to allow the AESO to immediately settle deferral account amounts with market participants. Immediate settlement will allow the AESO to collect from market participants an outstanding deferral account shortfall, or to refund to market participants an outstanding deferral account surplus, to the greatest extent possible without further delay.

16 The AESO understands that prior to approving immediate interim settlement, the Commission would need to be satisfied that the amounts are accurate and that such an order is in the public interest.

17 The deferral account balances in this application have been determined based on recorded costs paid and recorded "total revenues" received by the AESO, which comprise base rate revenue and tariff revenue offsets, and have been reconciled to the AESO's financial statements located in the *Business Planning and Financial Reporting* section of the AESO website.⁸

18 The allocation of deferral account balances to market participants has been prepared in this application using the methodology as described in the first reconciliation for each production year; and the same DAR software program as in previous deferral account reconciliation applications, which is updated annually.

19 Based on prior deferral account reconciliation application proceedings, it is customary for the Commission to seek the views of stakeholders on the AESO's request for interim approval. If no party opposes interim approval, the AESO further understands that settlement of the deferral account balances could be approved by the Commission on an interim, refundable basis without further process.

20 Consistent with the approach approved for the AESO's prior deferral account reconciliations, the AESO proposes to settle the outstanding deferral account balances through a one-time payment and collection option. Under this option, the AESO proposes to refund or collect the amounts for each market participant within 60 days from the date of the Commission decision regarding this application.

21 Although the AESO favours the one-time payment and collection option to expedite the final resolution and financial settlement related to the deferral account balances, it appreciates that it is not in a position to determine if this option presents a financial burden to market participants. If this option does present a financial burden to a market participant, the AESO considers it reasonable to offer a 3-month payment option, including carrying charges, consistent with payment options offered to market participants in previous deferral account reconciliations.

22 The AESO submits that it is appropriate for the Commission to approve the settlement of the deferral account balances in the amounts allocated in this application on an interim refundable basis. The AESO considers that the \$17.3 million net surplus balance reconciled in this application to represent material amounts for market participants.

23 The AESO expects to be able to financially settle deferral account balance amounts with market participants in the month following that in which approval is granted. The AESO will therefore plan interim

⁸ www.aeso.ca/aeso/about-the-aeso/business-planning-and-financial-reporting/.

settlement on invoices to be issued in August 2021, subject to approval by the Commission. To enable settlement on invoices issued in August 2021, the Commission would need to provide interim approval by August 5, 2021. Interim approval after that date (but before September 2, 2021) would result in settlement on invoices issued in September 2021.

1.3 Organization of this Application

24 This application is organized into the following sections.

- 1 **Introduction** — Provides background on the application and specifies the relief requested.
- 2 **Summary of Deferral Account Reconciliation Process** — Summarizes the process used to determine deferral account amounts and other considerations affecting the deferral account reconciliation process.
- 3 **Financial Analysis and Results of Deferral Account Balances**— Discusses cost and revenue variances for 2012 to 2020 and provides the deferral account balances for 2012 to 2020.
- 4 **Uncollectible Amounts and Deferral Account Balance Allocation** — Discusses the process by which deferral account balances are allocated to market participants.
- 5 **Relief Requested**

25 Appendices D through L of this application provide additional detail in support of the application, including market participant-level allocation of deferral account balances.

2 Summary of Deferral Account Reconciliation Process

2.1 Data Included in this Application

- 26 In addition to amounts settled in prior deferral account reconciliations for 2012 to 2019, this application incorporates all transmission-related costs paid and revenue collected by the AESO that:
- have not been settled in prior deferral account reconciliation filings;
 - relate to 2020 or prior years for all costs; and
 - were accounted for up to December 31, 2020.
- 27 This application includes wires costs based on:
- the AESO-forecast or actual TFO wires costs according to the method described in the 2010 ISO tariff application and approved in Decision 2011-275 regarding the 2010 ISO tariff compliance filing and updated in Decision 22093-D02-2017 (the method is further described in Section 2.2.2 of this application); and
 - TFO deferral account reconciliation amounts or other adjustments approved by the Commission.
- 28 This application reconciles revenue based on Rate DTS and Rate FTS as applied to system access service provided under the ISO tariff and approved in various decisions and orders of the Commission listed in section 1.1 of this application. As noted in the ISO tariff, Rider C applies only to Rate DTS and Rate FTS, and accordingly only revenue under those rates is included in a deferral account reconciliation. In addition, certain revenue related to other rates of the ISO tariff are included as tariff revenue offsets in the determination of total recorded revenue. Those tariff revenue offsets are provided in this application as they affect the deferral account balances attributable to Rate DTS and Rate FTS.
- 29 The ancillary service costs and the AESO's own administrative costs⁹ included in the AESO's revenue requirement are generally those approved by the AESO Board¹⁰ in accordance with the *Transmission Regulation*, respectively. The practice established by the AESO to carry out consultation on ancillary services, losses, and the AESO's own administrative costs is the Budget Review Process. The Budget Review Process is a transparent stakeholder process that provides a prudence review with input from stakeholders. At the conclusion of the Budget Review Process, AESO management proposes a business plan and budget to the AESO Board, including a request for approval of ancillary services costs, losses costs, and own administrative costs.
- 30 As part of the annual AESO Budget Review Process, AESO management consults with stakeholders in a planning process. Typically, in Q3 of each year, the AESO reviews the business initiatives that had been advanced during the year and that would form the basis on which the AESO would operate and advance its strategic plan during the following year. After establishing the business initiatives, the AESO assesses the financial resources required to successfully deliver those initiatives.

⁹ See Section 1(1)(g) of the *Transmission Regulation*.

¹⁰ Consisting of the "ISO members" appointed under section 8 of the Act.

31 As described in the AESO's 2018 comprehensive tariff application,¹¹ which was approved in Decision 22942-D02-2019, the AESO intends to continue to file ISO tariff update applications in Q3 of each year. In certain years, the AESO Budget Review Process is not completed by Q3 of the year proceeding the tariff year. As a result, the ancillary services and the AESO's own administrative costs included in the AESO's revenue requirement may be based on a preliminary forecast or a Board approved revenue requirement from the previous year.

2.1.1 Significant Variance Thresholds

32 Base rate revenue excludes Rider C revenue and tariff revenue offsets, consistent with the determination of base rate amounts in ISO tariff applications and ISO tariff updates approved by the Commission. The AESO does not forecast Rider C amounts as part of its ISO tariff applications, and Rider C is therefore not included in this discussion of variances from forecast.

33 The AESO considers a variance to be significant when it exceeds approximately 10% of the general and administrative costs component of the AESO's revenue requirement. A variance smaller than the 10% of the general and administrative costs is also considered significant when it is both at least 1% of the general and administrative costs and at least $\pm 10\%$ of the approved amount.

34 Given that revenue is collected on a forecast basis, some amount of variance is expected and the AESO considers it reasonable that specific explanations are not required for variances below these significance thresholds. The AESO also considers it reasonable to reduce the significance thresholds for subsequent reconciliations for a production year.

2.1.2 Forfeited Refunds of Generating Unit Owner's Contributions

35 In accordance with section 29 of the *Transmission Regulation* and the ISO tariff, owners of generating units subject to Rate STS, *Supply Transmission Service*, are required to pay a generating unit owner's contribution. Such a contribution is refundable under section 7 of the ISO tariff, *Generating Unit Owner's Contribution*,¹² over a period of not more than 10 years, subject to satisfactory operation of the generating unit determined in accordance with Section 505.2 of the ISO rules, *Performance Criteria for Refund of Generating Unit Owner's Contribution* ("Section 505.2"). When the performance of a generating unit does not meet Section 505.2 requirements, the refund is forfeited.

36 Generating unit owner's contributions are held and administered by the AESO. They reduce the working capital that the AESO would otherwise require and, accordingly, reduce the interest expense included in the revenue requirement recovered through Rate DTS and Rate FTS. Through the deferral account reconciliation process, any generating unit owner's contribution refunds that are forfeited, due to unsatisfactory operation of a generating unit during a year, are recognized as a recorded offset attributable to the connection charge component of Rate DTS and Rate FTS, and reduce the amounts that would otherwise be collected from market participants who receive system access service under those rates.

37 Table 2-1 below summarizes the generating unit owner's contributions collected, refunded, and forfeited from 2020 to 2006, inclusive. Refunds of generating unit owner's contributions were first issued by the AESO in 2009, with amounts refunded and forfeited annually since then as also provided in Table 2-1.

¹¹ Exhibit 22942-X0008, para. 32.

¹² ISO tariff effective April 1, 2021 and 2021 ISO tariff.

Table 2-1 Continuity of Generating Unit Owner's Contributions, \$000 000

Line No.	Description	Year(s)	Totals		Amount of GUOC Refund Forfeited (%) 2006 to 2020
		2020	2006 to 2019	2020 to 2006	
1	Contributions, Opening Balance	\$49.3	-	-	
2	Additional Contributions During Year	43.8	95.9	139.7	
3	Contribution Refunds During Year				
4	Refunds to Generating Unit Owners	(9.2)	(43.9)	(53.1)	
5	Forfeited Refunds	(0.9)	(2.7)	(3.6)	2.6%
6	Total Contribution Refunds During Year	(10.1)	(46.6)	(56.7)	
7	Contributions, Closing Balance	\$83.0	\$49.3	\$83.0	

Note: Numbers may not add due to rounding

2.2 Deferral Account Reconciliation Methodology

38 The AESO is not proposing any changes to the deferral account reconciliation methodology or Rider C in this application. This 2020 deferral account reconciliation application relies on the approval granted by the Commission in Decision 22942-D02-2019¹³ issued on September 22, 2019 to apply the revised deferral account reconciliation methodology for the 2020 production year. The approved changes to the deferral account reconciliation methodology apply to production year 2017 and forward, and to Rider C and Rate PSC of the ISO tariff, *Primary Service Credit* ("Rate PSC"), effective January 1, 2018.¹⁴

2.2.1 Production Month and Year Presentation

39 All costs and revenue included in this application for production years 2012 to 2016 are presented on a production month basis. For the production years 2012 to 2016 included in this 2020 deferral account reconciliation application, adjustments to costs or revenue arising after the month to which an initial invoice pertains are attributed back to that original month or attributed to the month in which they occur.

40 All costs and revenue included in this application for production years 2017 to 2020 are presented on a production year basis. For production years, adjustments to costs or revenue arising after the year to which an initial invoice pertains are attributed back to that original year. With the production year basis methodology, all costs and revenues including AESO's own administrative costs and Rider C amounts are consistently applied to production year.

41 Adjustments to costs and revenue also occur after the end of the production year to which the costs and revenue relate. Such adjustments arise for a variety of reasons, including:

- metered data adjustments, corrections, or restatements;
- Commission decisions on TFO costs and other matters;
- post-final adjustment mechanism ("PFAM") data restatements;
- vendor invoice corrections;

¹³ Decision 22942-D02-2019 issued on September 22, 2019 at para. 279.

¹⁴ Proceeding 22942, Exhibit-X0002.01 at Section 6.1 and Exhibit 22942-X0008.

- revisions to contract terms; and
- revisions to rate calculations or application.

2.2.2 Transmission Facility Owners' Wires Costs Forecasts

42 The forecast of TFOs' wires costs has been calculated in accordance with the following approach, which was approved in Decision 2011-275¹⁵ and updated in Decision 22093-D02-2017:

- (a) If a TFO has received final Commission approval for its production year tariff, the AESO includes the approved cost for that TFO tariff.
- (b) If a TFO has applied for its production year tariff, the Commission has issued an initial decision on the application, and the TFO has submitted a refiling in compliance with the decision, the AESO includes the TFO tariff costs included in the refiling.
- (c) If a TFO has applied for its production year tariff but the Commission has not yet issued an initial decision on its application or an initial decision has been issued but the TFO has not yet submitted its compliance refiling, the AESO includes the most recent of the following: (i) the transmission facility owner tariff costs last approved by the Commission on a final basis for the TFO plus 72% of any increase or decrease included in the TFO's production year tariff application above or below the prior approved costs, and (ii) the TFO tariff costs last applied-for by the TFO in a compliance refiling plus 72% of any increase or decrease included in the TFO's tariff application above or below the prior approved costs.
- (d) If a TFO has not yet applied for its production year tariff, the AESO includes the most recent of the following: (i) the TFO tariff costs last approved by the Commission on either a final or interim basis, and (ii) the TFO costs last applied-for by the TFO in a compliance filing.

43 ATCO Electric's TFO tariff costs are offset by payments to the AESO in respect of pool price for electric energy provided to isolated communities in accordance with the *Isolated Generating Units and Customer Choice Regulation*.

44 Similar to how the forecast wires costs includes applied-for and interim application amounts,¹⁶ the AESO incorporates and records these costs as an "accrual".

45 The specific determinations of the forecast wires cost for each TFO are detailed in Appendix D-5, *Wires Forecast Detail (2012 to 2020)*, to this application.

2.2.3 Allocation of Deferral Account Balances

46 The variances between costs and base rate revenue included in Table 2-3 affect the deferral account balances to be collected from or refunded to market participants. Base rate revenue results from Rate DTS and Rate FTS that were in place during the deferral account period, by year and month and by rate component.

47 Adjustments to base rate revenue received from individual market participants affects the allocation of the deferral account balances to those market participants, since deferral account balances are allocated based on a market participant's base rate revenue when a deferral account is subject to reconciliation as for all years in this application.

¹⁵ Decision 2011-275 at para. 98.

¹⁶ Process described in Section 2.2.2 of this application.

48 The final allocations to individual market participants are therefore dependent on both deferral account balances and base rate revenue for market participants receiving system access service under Rate DTS or Rate FTS. The allocations to individual market participants by year are provided in Appendices E, G, and H of this application.

49 Consistent with treatment in prior years, the deferral account balances for production years 2012 to 2016 have been allocated to individual market participants based on each market participant's percentage of base rate revenue collected, with one exception described in AESO's 2016 deferral account reconciliation application.¹⁷

50 As a result of the deferral account reconciliation methodology approved in Decision 22942-D02-2019,¹⁸ the deferral account balances for production years 2017 to 2020 have been allocated to individual market participants based on each market participant's percentage of base rate revenue collected, offset by Rate PSC.

51 After the allocation of deferral account balances is determined by rate and rate component for each market participant, additional revenue already settled through Rider C or in prior deferral account reconciliations with each market participant is subtracted or added by rate and rate component. The remaining balance is the amount of the deferral account charge or refund attributed to the market participant on a production month or production year basis, by rate and rate component.

2.3 Deferral Account Balances

52 Table 2-2 below summarizes the deferral account balances and adjustments addressed in this application for deferral account years 2012 to 2020.

53 Table 2-2 reflects the seventh deferral account reconciliation for 2012, the sixth reconciliation for 2013 and 2014, the fifth reconciliation for 2015, the fourth reconciliation for 2016, the third reconciliation for 2017 and 2018, the second reconciliation for 2019, and the first reconciliation for 2020. The deferral account reconciliation for each year is provided in detail in Appendix K.

54 Deferral account shortfalls or surpluses resulting from differences between costs and revenue, before any collections or refunds through Rider C or prior deferral account reconciliations, are shown in Column B in Table 2-2 below. The AESO notes that Rider C revenue attributed to a specific year includes amounts collected or refunded during the production year.

55 In each year, the deferral account balances were forecast on a quarterly basis and charged or refunded through Rider C during the relevant year. As well, all years except 2020 have been subject to one or more prior deferral account reconciliations, previously filed with and reviewed by the Commission. The initial variances between costs and revenue summarized above have been, in large part, addressed through Rider C and prior deferral account reconciliations, such that the net deferral account balances remaining, which are included in this deferral account reconciliation, are shown in Column D in Table 2-2 below.

¹⁷ See paras. 214 – 216 of AESO's 2016 Deferral Account Reconciliation Application, Proceeding 23802, Exhibit 23802-X0002.

¹⁸ Approved on a final basis in Commission Decision 22942-D02-2019 issued on September 22, 2019.

Table 2-2 Annual Deferral Account Balances Before and After Rider C and Prior Deferral Account Reconciliations

<i>Production Year</i>	<i>(Shortfall) Surplus Amount (\$000 000) Before Rider C</i>	<i>% of Costs</i>	<i>(Shortfall) Surplus Amount (\$ 000 000) After Rider C and Previous DAR reconciliations</i>	<i>% of Costs</i>
[A]	[B]	[C]	[D]	[E]
2020	(\$65.5)	(3.0%)	\$15.3	0.7%
2019	(122.7)	(5.6%)	(1.5)	(0.1%)
2018	(82.8)	(3.8%)	(0.5)	(0.0%)
2017	(18.6)	(0.9%)	(0.3)	(0.0%)
2016	(117.4)	(6.1%)	(0.9)	(0.0%)
2015	(290.4)	(15.8%)	0.1	0.0%
2014	(162.8)	(9.9%)	(1.3)	(0.1%)
2013	(120.1)	(7.9%)	(1.4)	(0.1%)
2012	(87.5)	(6.6%)	7.7	0.6%
Total	(\$1,067.8)	(6.4%)	\$17.3	0.1%

56 For comparison with Table 2-2, Table 2-3 below provides a summary of comparable amounts as included in the most recent, applicable, previous deferral account reconciliation application by year. In addition, Table 2-4 below summarizes the differences between Tables 2-2 and 2-3, which reflect the net impact on deferral account balances of all cost and revenue transactions that have not been included in a prior deferral account reconciliation application.

57 As directed by the Commission in Decision 24910-D01-2019,¹⁹ the AESO notified legal owners of electric distribution systems (“DFOs”) on March 31, 2021, that the preliminary estimate for the deferral account balance in its upcoming 2020 DAR application would be a surplus of approximately \$15 to \$20 million.²⁰

¹⁹ Decision 24910-D01-2019, Alberta Electric System Operator, 2017 and 2018 Deferral Account Reconciliation, December 11, 2019.

²⁰ The final 2020 DAR surplus amount, as noted in Table 1-1 and Table 2-2 of this application, is \$17.3 million.

Table 2-3 Summary of 2020 Deferral Account Reconciliation Application, \$000 000

Component	2020	2019	2018	2017	2016	2015	2014	2013	2012	2020 to 2012
Base Rate Revenue										
Connection	\$1,948.0	\$1,835.6	\$1,792.8	\$1,838.9	\$1,721.8	\$1,412.2	\$1,301.6	\$1,005.7	\$886.9	
Operating Reserve	172.6	202.7	265.9	103.0	84.1	144.1	180.0	361.5	320.1	
Transmission Constraint Rebalancing	0.5	0.3	0.0	0.0	0.0	-				
Voltage Control	2.9	3.0	5.5	4.2	3.4	0.9	1.8	21.9	28.5	
Other System Support Services	3.8	4.9	6.1	6.0	5.6	2.9	2.7	5.6	6.5	
Total Base Rate Revenue	\$2,127.9	\$2,046.4	\$2,070.3	\$1,952.2	\$1,814.9	\$1,560.0	\$1,486.1	\$1,394.6	\$1,241.9	\$15,694.3
Tariff Revenue Offsets										
	\$5.5	\$7.6	\$11.2	\$18.5	(\$8.4)	(\$9.8)	(\$10.7)	(\$3.3)	\$1.0	\$11.6
Costs Paid										
Wires	(\$1,912.3)	(\$1,851.3)	(\$1,782.1)	(\$1,775.3)	(\$1,730.2)	(\$1,571.0)	(\$1,323.3)	(\$1,013.4)	(\$855.2)	
Ancillary Services	(181.8)	(213.0)	(277.8)	(115.0)	(93.3)	(171.2)	(213.9)	(398.3)	(375.1)	
Other Industry	(14.0)	(15.4)	(15.4)	(14.8)	(14.9)	(14.8)	(15.3)	(17.0)	(18.6)	
General & Administrative	(90.8)	(97.1)	(89.0)	(84.1)	(85.5)	(83.7)	(85.7)	(82.7)	(81.5)	
Total Costs Paid	(\$2,198.9)	(\$2,176.7)	(\$2,164.3)	(\$1,989.2)	(\$1,923.9)	(\$1,840.7)	(\$1,638.2)	(\$1,511.5)	(\$1,330.4)	(\$16,773.7)
Deferral Account										
(Shortfall) Surplus	(\$65.5)	(\$122.7)	(\$82.8)	(\$18.6)	(\$117.4)	(\$290.4)	(\$162.8)	(\$120.1)	(\$87.5)	(\$1,067.8)
Rider C Collection (Refund)	80.8	105.3	3.7	(51.9)	(70.1)	220.2	185.5	247.9	158.5	879.8
Prior DAR ¹ Collection (Refund)		15.9	78.6	70.1	186.7	70.3	(24.0)	(129.2)	(63.3)	205.2
Net (Shortfall) Surplus	\$15.3	(\$1.5)	(\$0.5)	(\$0.3)	(\$0.9)	\$0.1	(\$1.3)	(\$1.4)	\$7.7	\$17.3

Note: Numbers may not add due to rounding

Table 2-4 Summary of 2019 Deferral Account Reconciliation Application, \$000 000

Component	2020	2019	2018	2017	2016	2015	2014	2013	2012	2020 to 2012
Base Rate Revenue										
Connection		\$1,835.8	\$1,793.4	\$1,839.1	\$1,721.8	\$1,412.2	\$1,301.6	\$1,005.7	\$886.9	
Operating Reserve		\$202.9	266.0	103.0	84.1	144.1	180.0	361.5	320.1	
Transmission Constraint Rebalancing		\$0.3	0.0	0.0	0.0					
Voltage Control		\$3.0	5.5	4.2	3.4	0.9	1.8	21.9	28.5	
Other System Support Services		\$4.9	6.1	6.0	5.6	2.9	2.7	5.6	6.5	
Total Base Rate Revenue		\$2,046.8	\$2,071.0	\$1,952.3	\$1,815.0	\$1,560.0	\$1,486.1	\$1,394.6	\$1,241.9	\$13,567.7
Tariff Revenue Offsets										
		\$7.6	\$11.2	\$18.5	(\$8.4)	(\$9.8)	(\$10.7)	(\$3.3)	\$1.1	\$6.2
Costs Paid										
Wires		(\$1,850.2)	(\$1,782.3)	(\$1,775.1)	(\$1,729.4)	(\$1,571.1)	(\$1,322.0)	(\$1,012.1)	(\$863.0)	
Ancillary Services		(213.0)	(277.8)	(115.0)	(93.3)	(171.2)	(213.9)	(398.3)	(375.1)	
Other Industry		(15.4)	(15.4)	(14.8)	(14.9)	(14.8)	(15.3)	(17.0)	(18.6)	
General & Administrative		(97.1)	(89.0)	(84.1)	(85.5)	(83.7)	(85.7)	(82.7)	(81.5)	
Total Costs Paid		(\$2,175.6)	(\$2,164.5)	(\$1,989.0)	(\$1,923.1)	(\$1,840.7)	(\$1,636.9)	(\$1,510.1)	(\$1,338.2)	(\$14,578.1)
Deferral Account										
(Shortfall) Surplus		(\$121.2)	(\$82.3)	(\$18.3)	(\$116.6)	(\$290.4)	(\$161.5)	(\$118.8)	(\$95.2)	(\$1,004.2)
Rider C Collection (Refund)		105.3	3.7	(51.9)	(70.1)	220.2	185.5	247.9	158.5	799.0
Prior DAR ¹ Collection (Refund)		-	77.0	38.2	177.8	93.1	(27.7)	(126.6)	(68.2)	163.6
Net (Shortfall) Surplus		(\$15.9)	(\$1.6)	(\$32.0)	(\$8.9)	\$22.8	(\$3.7)	\$2.6	(\$4.9)	(\$41.6)

Note: Numbers may not add due to rounding

Table 2-5 Summary of 2020 Net Deferral Account Transactions Since Most Recent Previous Deferral Account Reconciliation, \$000 000

Component	2020	2019	2018	2017	2016	2015	2014	2013	2012	2020 to 2012
Base Rate Revenue										
Connection	\$1,948.0	(\$0.1)	(\$0.6)	(\$0.1)	(\$0.0)	-	-	-	-	
Operating Reserve	172.6	(0.3)	(0.0)	(0.0)	0.0	(0.0)	0.0	-	-	
Transmission Constraint Rebalancing	0.5	(0.0)	(0.0)	(0.0)	-	-	-	-	-	
Voltage Control	2.9	0.0	(0.0)	-	-	-	-	-	-	
Other System Support Services	3.8	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	-	
Total Base Rate Revenue	\$2,127.9	(\$0.4)	(\$0.7)	(\$0.1)	(\$0.0)	(\$0.0)	\$0.0	-	-	\$2,126.6
Tariff Revenue Offsets	\$5.5	\$0.0	\$0.0	-	-	(\$0.0)	(\$0.0)	-	(\$0.0)	\$5.4
Costs Paid										
Wires	(\$1,912.3)	(\$1.1)	\$0.2	(\$0.2)	(\$0.8)	\$0.1	(\$1.3)	(\$1.4)	\$7.8	
Ancillary Services	(181.8)	0.0	-	-	-	-	-	-	-	
Other Industry	(14.0)	-	-	-	-	-	-	-	-	
General & Administrative	(90.8)	-	-	-	-	-	-	-	-	
Total Costs Paid	(\$2,198.9)	(\$1.1)	\$0.2	(\$0.2)	(\$0.8)	\$0.1	(\$1.3)	(\$1.4)	\$7.8	(\$2,195.6)
Deferral Account										
(Shortfall) Surplus	(\$65.5)	(\$1.5)	(\$0.5)	(\$0.3)	(\$0.9)	\$0.1	(\$1.3)	(\$1.4)	\$7.7	(\$63.6)
Rider C Collection (Refund)	80.8	-	-	-	-	-	-	-	-	80.8
Prior DAR ¹ Collection (Refund)	-	0.0	-	-	-	-	-	-	-	0.0
Net (Shortfall) Surplus	\$15.3	(\$1.5)	(\$0.5)	(\$0.3)	(\$0.9)	\$0.1	(\$1.3)	(\$1.4)	\$7.7	\$17.3

Note: Numbers may not add due to rounding

2.4 Cost Prudency Considerations

- 58 The prudency of TFO wires costs is assessed by the Commission as part of its approval of TFO tariff applications and TFO deferral account reconciliation applications.
- 59 The AESO's own administrative costs are approved by the AESO Board in accordance with the Transmission Regulation. Once these costs are approved by the AESO Board, subsection 46(1) of the Transmission Regulation provides that the AESO's own administrative costs must be considered by the Commission to be prudent, unless an interested person satisfies the Commission otherwise.
- 60 With respect to the AESO's own administrative costs, despite the best efforts of the AESO, budgets and forecast costs occasionally do not fully accommodate the actual costs needed to accomplish the established business priorities and plans of the AESO and to continue to meet the AESO's legislated mandate. AESO management actively manages the organization's financial affairs on a timely basis, including receiving monthly updates of the AESO's financial results and regular updates on corporate goal achievement and key human resource statistics. The monthly financial review includes a comparison of actual costs to budget and forecast amounts, with analysis of material variances for ancillary services costs, losses costs, and the AESO's own administrative costs.

- 61 The AESO's budget review and approval process, developed in consultation with market participants, includes an agreed-upon practice when estimated costs are expected to exceed budgeted amounts, specifically with respect to own administrative costs. Variances above a specified threshold are first reviewed with market participants prior to presentation to the AESO Board for consideration and approval. A request for additional budget approval may be required to accomplish specific business priorities or to meet the AESO's mandate, and would only be made after consideration has been given to managing the timing or reducing the scope of other business priorities to remain within budget.
- 62 The AESO considers that the structure and approach described above provides an appropriate and adequate process to establish and manage the AESO's budget.
- 63 Where significant adjustments to 2019 or prior year costs are included in this deferral account reconciliation, this application and related proceeding are the proper venue for consideration of the prudence of those adjustments to such costs. The AESO notes, however, that the prudence of AESO costs incurred with respect to 2019 and prior years which were already included in the 2019 deferral account reconciliation application was considered in the 2019 deferral account reconciliation application and prior proceedings, and should not be reviewed again.
- 64 In this application, the presentation of subsequent reconciliations for production years already applied for in prior deferral account applications does not imply that all costs relating to those applications are again subject to review. Rather, the subsequent reconciliations are provided to appropriately allocate all costs related to those years to market participants, not to re-examine the prudence of costs which have already been approved.

2.5 Reconciliation to Financial Statements

- 65 The AESO's audited financial statements present costs and revenue on a financial or accounting year basis rather than on a production month or year basis. The audited financial statements include costs and revenue which were known as of the end of the year. In contrast, deferral account reconciliations in this application include actual and anticipated cost and revenue adjustments which may be settled after the financial statements are audited.
- 66 The AESO's financial results or annual reports for the years included in the application, including audited financial statements, are provided in the *Business Planning and Financial Reporting* section of the AESO website.²¹

²¹ www.aeso.ca/aeso/about-the-aeso/business-planning-and-financial-reporting/.

2.6 Deferral Account Reconciliation Process Controls

67 The AESO’s deferral account reconciliation process includes controls to ensure complete and accurate deferral account reconciliations. Some of these controls are integrated in the deferral account reconciliation software program. The controls include:

- input controls such as reconciling data transferred to the deferral reporting system with source data and ensuring all values are assigned to production months;
- process controls such as reconciling individual report totals to summary reports, testing, and verifying the calculations embedded in the deferral reporting system, and reconciling balances to audited financial statements; and
- validation of the deferral account reconciliation software program.

2.7 Market Participant Confidentiality

68 This application details the allocation of deferral account balances to individual market participants receiving system access service under Rate DTS and Rate FTS, which requires the disclosure of base rate revenue received from individual market participants. The application also includes the refunds to and collections from those individual market participants.

69 DFOs will normally include their deferral account refunds and collections in their own distribution tariff applications to the Commission or city councils and thereby make the deferral account amounts public. Those utilities — namely, ATCO Electric, EPC, EPCOR Distribution & Transmission Inc. (“EDTI”), FortisAlberta Inc. (“FortisAlberta”), the City of Lethbridge, and the City of Red Deer — are therefore identified by name in the allocation tables in the appendices of this application.

70 Pursuant to Section 103.1 of the ISO rules, *Confidentiality*, the confidentiality of records relating to AESO direct-connect market participants who received system access service under Rate DTS and Rate FTS is protected by assigning a number to each AESO direct-connect market participant. The numbers assigned to a specific market participant are not necessarily the same for each deferral account year in this application and are not necessarily the same as those used in prior applications.

71 After filing this application, the AESO will distribute to each market participant the applicable market participant numbers for the deferral account reconciliation years included. As well, the AESO will provide on request to market participants with multiple settlement points deferral account allocation data for each of the market participant’s settlement points. The AESO will advise market participants of the availability of settlement point data at the time it provides market participant numbers. The settlement point data will include information comparable to that provided in Appendices E, G, and H, in Microsoft Excel format.

72 The AESO notes that a market participant may assign its system access service agreement to another market participant (the “assignee”) in accordance with the ISO tariff.²² Where such an assignment has occurred, the deferral account allocation will be applied to the account of the assignee, and the applicable market participant numbers will be provided only to the assignee.

73 The AESO has determined assignees and prepared the appendices of this deferral account reconciliation application as of June 8, 2021 for charges and refunds included in the application. No assignment agreements have been executed since then.

²² Subsection 2 of section 15, *Miscellaneous*, of the 2014 ISO Tariff.

3 Financial Analysis and Results of Deferral Account Balances

74 Refer to Appendix L for a description of the deferral account reconciliation categories as itemized in the annual cost tables in Appendix K.²³

3.1 Cost Variances

75 Table 3-1 of Appendix K presents the AESO's 2020 revenue requirement as amounts included in the 2020 ISO Tariff Update,²⁴ including amounts that are approved by the Commission (for TFOs) and by the AESO Board (for ancillary services and the AESO's own administrative costs) in *AESO Board Decision 2020-BRP-001* as discussed above.

76 Variances arise due to a number of factors, including TFO tariff applications to the Commission, finalization of TFO wires costs through Commission decisions, variances from forecast of volumes and pool price, changes in AESO schedules and priorities, and generally-expected differences between recorded and forecast costs.

77 Significant variances exceeding thresholds, described in Section 2.1.1 of this application are identified in Appendix K and explanations are provided for each row.

3.1.1 Wires Costs – Significant Variances

78 Wires costs with significant variances are identified in the costs tables within Appendix K. Production years for 2012, 2013, 2014, 2015, 2018, 2019, and 2020 contain at least one significant variance related to wires costs. Significant variances for wires costs are a direct result of TFO wires costs, which are approved by the Commission as explained in section 2.1 of this application. The specific proceedings and Commission decisions related to the significant variances are summarized in Appendix D-5 of this application.

3.1.2 AESO Board Approved Costs – Significant Variances

79 Significant variances for ancillary services costs, other industry costs, general and administrative costs and capital costs are only related to 2020 costs and are all shown in Table 3-1 and 3-2 of Appendix K of this application. As described above in section 2.1 of this application these costs are approved by the AESO board. Variance explanations for these costs can be found in the BRP Q4 2020 Stakeholder Report. The Stakeholder Report presents costs based on the accounting period rather than the production period, which results in slight variances in AESO Board Approved Costs between the Q4 2020 Stakeholder Report located in the Business Planning and Financial Reporting section of the AESO website²⁵ and this application. Also, the Q4 2020 Stakeholder Report explains variances between actual and prior year costs whereas this application explains variances between actual and forecasted costs. However, the underlying variance explanations are relatively consistent, except as noted otherwise in the following paragraphs:

- (a) **Operating Reserves** – The 2020 recorded average pool price was \$46.72/MWh, which is \$11.09 (or 19.2%) lower than the 2020 approved forecast average pool price of \$57.81/MWh. The 2020 recorded operating reserve volumes were 7,795 GWh, which is marginally higher than the 2020

²³ See "3-1 2020 Costs" tabs of Appendix K workbook.

²⁴ Proceeding 25175, Exhibit X0007 – Appendix D, 'D-1 Rev Req'.

²⁵ www.aeso.ca/aeso/about-the-aeso/business-planning-and-financial-reporting/.

approved forecast of 7,763 GWh. Lower costs are mainly attributable to lower pool prices and changes to offer behaviour.

- (b) **Other Industry Costs** – The Q4 2020 Stakeholder Report presents total AESO costs, whereas this application presents only those costs allocated to the transmission revenue source. The variance explanation is consistent.
- (c) **General and Administrative Costs** – The Q4 2020 Stakeholder Report presents total AESO costs, whereas this application presents only those costs allocated to the transmission revenue source. The variance explanation is consistent, with the additional noted decrease in administrative costs resulting from the unexpected impact of COVID-19.
- (d) **Amortization** – The Q4 2020 Stakeholder Report presents total AESO costs, whereas this application presents only those costs allocated to the transmission revenue source. The variance from the approved forecast is due to shifts in the timing and magnitude of projects.
- (e) **Capital** – The variance from the approved forecast is due to the impacts of COVID-19 on timing and completion of work, efficiency gains and strategic efforts to minimize and defer spend.

3.1.3 Revenue Variances

80 The only significant variances related to revenue in this application are associated with the 2020 production year. Table 3-3 of Appendix K presents AESO revenue forecast to be collected from Rate DTS and Rate FTS base rates in effect during 2020. The table also includes recorded revenue as collected through 2020 base rates, as well as variances between forecast and recorded base rate revenue in both dollar amounts and as a percentage of forecast revenue.

81 The base rates which were in effect during the period from January 1, 2020 to March 31, 2020 were approved on a final basis in Decision 24036-D01-2018 and the base rates in effect from April 1, 2020 to December 31, 2020 were approved on a final basis in Decision 25175-D02-2020. Those rates were based on the AESO's 2020 revenue requirement and 2020 forecast billing determinants for January 1, 2020 to December 31, 2020.

82 To calculate the 2020 forecast base rate revenue presented in Table 3-3 of Appendix K, the AESO applied the rates in effect during 2020 to its corresponding forecast of billing determinants for 2020. Those billing determinants were based on the 2020 DTS energy forecast in the AESO's *2019 Long-term Outlook*, which was the AESO's long-term demand forecast prepared in accordance with the AESO's duties under the Act and the *Transmission Regulation*.

83 On an annual basis, base rate revenue depends on approved transmission tariff rates, operating reserve costs, TCR events, and billed volumes of demand and energy. Revenue variances arise due to unanticipated changes from forecasts of billing volumes and operating reserve costs as shown in Table 3-1 below.

Table 3-1 2020 Recorded and Forecast Billing Determinants

Rate DTS Billing Determinant	Units	2020 Recorded	2020 Forecast	Increase (Decrease)	
				Amount	%
Coincident Metered Demand	MW-months	91,292.0	91,210.9	81.1	0.1%
Total Billing Capacity	MW-months	159,632.9	160,561.5	(928.6)	(0.6%)
First (7.5×SF) MW	MW-months	36,729.9	37,281.1	(551.2)	(1.5%)
Next (9.5×SF) MW	MW-months	34,654.5	35,072.1	(417.6)	(1.2%)
Next (23×SF) MW	MW-months	43,543.2	43,920.9	(377.7)	(0.9%)
All Remaining MW	MW-months	44,705.3	44,287.4	417.9	0.9%
Highest Metered Demand	MW-months	117,711.8	120,191.4	(2,479.6)	(2.1%)
Metered Energy (All Hours)	GWh	58,118.2	61,157.0	(3,038.8)	(5.0%)
DTS Market Participants	customer- months	5,384.6	5,477.6	(93.0)	(1.7%)
Pool Price	\$/MWh	46.72	57.81	(\$11.09)	(19.2%)

3.1.4 Deferral Account Balances – Summary of Significant Variances Assessment

- 84 Significant variances for deferral account balances are flagged for production years 2012, 2013, 2014, and 2020. The deferral account balances are summarized in the deferral tables of Appendix K and reflect the recorded costs and revenue provided in each respective production year's costs and revenue tables of Appendix K. Deferral tables in Appendix K also include tariff revenue offsets, which decrease the amount of revenue that would otherwise need to be collected through Rate DTS and Rate FTS.
- 85 Significant variances for deferral account balances in 2020 are primarily due to changes in recorded costs discussed in Section 3.1.1 of this application and changes in recorded revenue discussed in Section 3.1.3. Variances for the years 2012, 2013, and 2014 are primarily due to changes in recorded costs discussed in Section 3.1.1 and as explained in Appendix D-5.

4 Uncollectible Amounts and Deferral Account Balance Allocation

4.1 Uncollectible Amounts

86 As summarized above, deferral account balances are allocated retrospectively to individual market participants who received system access service under Rate DTS or Rate FTS based on each market participant's percentage of base rate revenue collected based on the rates in place during the period, by month and by rate component. The amounts allocated to each market participant will be collected from or refunded to the market participant as discussed below. Up to and including the AESO's 2008 deferral account reconciliation, the AESO has collected or refunded all deferral account amounts allocated to market participants.

87 For allocations resulting from this application, the AESO expects that, in specific and infrequent circumstances, it may be unable to collect or refund a deferral account allocation from or to a market participant. The anticipated circumstances are those where a market participant has:

- (a) terminated system access service with the AESO;
- (b) discontinued its business operations, either through bankruptcy, dissolution, or other formal proceeding; and
- (c) has not assigned its system access service agreement to another market participant.

88 In those specific circumstances, an allocation of deferral account balances to the market participant who has discontinued operations may be uncollectible from that market participant. ("Uncollectible" is used in a general sense, and the AESO acknowledges that, technically, only a charge would be uncollectible while a refund would be "unrefundable".) Although the specific circumstances are expected to be infrequent, allocations to the same market participant may result in uncollectible amounts in several deferral account reconciliation applications if those applications include re-reconciliations for years in which the market participant received system access service before discontinuing operations.

89 The AESO also notes that in those cases where a market participant has discontinued operations without assigning its system access service to another market participant, the facilities used to provide system access service are expected to remain in service. Those facilities typically provide service to other existing or new market participants, including any market participant who takes over the original participant's assets without assignment of the system access service agreement. As well, charges billed prior to a market participant discontinuing its operations would be settled with that market participant through normal processes. Only later amounts resulting from retrospective deferral account reconciliation and allocation would potentially become uncollectible.

90 Uncollectible amounts result from market participants who terminate service and discontinue operations without assigning their system access service. The treatment of uncollectible amounts is summarized in Table 4-1 below and presented in detail in Appendix K.

91 The AESO will continue its practice to collect or refund such amounts until such time as it determines that all reasonable attempts have been made and the amounts will remain uncollectible. The AESO will monitor and report uncollectible amounts in future deferral account reconciliation applications and will review its approach to uncollectible amounts if such amounts become significant in magnitude.

Table 4-1 Continuity of Uncollectible Amounts, \$

Line No.	Description	Deferral Account Reconciliation Application				Totals
		2020	2019	2018-2017	2016 - 2009	2020 to 2009
1	Uncollectible Amounts, Opening Balance	\$29	\$29	-	-	-
2	Uncollectible Charges (Refunds)	-	-	\$29	(\$155)	(\$126)
3	Number of Market Participants	-	-	1	2	2
4	Adjustments – Refunds (Charges)	(29)	-	-	155	126
5	Uncollectible Amounts, Closing Balance	-	\$29	\$29	-	-

Note: Numbers may not add due to rounding.

4.2 Deferral Account Balance Allocation

92 Appendix E includes the total Rate DTS and Rate FTS amounts that will be settled with individual market participants as a result of this application, pending approval by the Commission. Table 4-2 summarizes the distribution of charges and refunds among individual Rate DTS and Rate FTS market participants. The AESO notes that in both the appendices of this application and in Table 4-2 and 4-3, Rate FTS amounts have been included with Rate DTS amounts as only one market participant (BC Hydro) receives service under Rate FTS.

Table 4-2 Distribution of Charges and Refunds Among Market Participants

Range of Refunds and Charges	Number of Participants		Total Amount, \$000 000		Total
	DTS and FTS		DTS and FTS		
	DFO ¹	Non-DFO	DFO ¹	Non-DFO	
Refund Greater Than \$1,000,000 to \$7,000,000	4	-	\$15.3	-	\$15.3
Refund Greater Than \$100,000 to \$1,000,000	2	3	0.4	\$0.6	1.1
Refund Greater Than \$10,000 to \$100,000	-	21	-	0.8	0.8
Refund Greater Than \$0 to \$10,000	-	39	-	0.1	0.1
Subtotal Refunds	6	63	\$15.8	\$1.5	\$17.3
Charge Greater Than \$0 to \$1,000	-	1	-	(\$0.0)	(\$0.0)
Subtotal Charges	-	1	-	(\$0.0)	(\$0.0)
Total Refunds and (Charges)	6	64	\$15.8	\$1.5	\$17.3

Note: Numbers may not add due to rounding.

Table 4-3 Distribution of Charges and Refunds Among Settlement Points

Range of Refunds and Charges, \$	Number of Settlement Points		Total Amount, \$000 000		Total
	DTS and FTS		DTS and FTS		
	DFO ¹	Non-DFO	DFO ¹	Non-DFO	
Refund Greater Than 100,000 to 170,000	20	2	\$2.6	\$0.3	\$2.8
Refund Greater Than 75,000 to 100,000	25	2	2.1	0.2	2.3
Refund Greater Than 50,000 to 75,000	58	4	3.5	0.3	3.8
Refund Greater Than 25,000 to 50,000	131	10	4.6	0.4	5.0
Refund Greater Than 0 to 25,000	260	74	3.0	0.4	3.4
Subtotal Refunds	494	92	\$15.8	\$1.5	\$17.3
Charge Greater Than 0 to 1,000	1	1	(\$0.0)	(\$0.0)	(\$0.0)
Charge Greater Than 1,000 to 4,000	1	-	(0.0)	-	(0.0)
Subtotal Charges	2	1	(\$0.0)	(\$0.0)	(\$0.0)
Total Refunds and (Charges)	496	93	\$15.8	\$1.5	\$17.3

Note: Numbers may not add due to rounding.

5 Relief Requested

93 Based on the foregoing, the AESO requests that the Commission approve this 2020 deferral account reconciliation application as applied for, including:

- (a) on an interim refundable basis, as described in Section 1.2 of this application;
- (b) the deferral account balance reconciliations for the production years 2012 to 2020 as presented in section 3 of this application;
- (c) the methodology of allocating deferral account balances to market participants as presented in section 2 and Appendices E through H of this application, for purposes of recovering and refunding outstanding variance amounts from and to market participants receiving system access service under Rate DTS or Rate FTS of the ISO tariff;
- (d) the collection and refund by the AESO of amounts through the use of a one-time collection and refund option similar to that used for previous years' deferral account balances, as more particularly described in section 1.2 of this application;
- (e) the collection and refund by the AESO of the market participant amounts included in this application as soon as practicable on an interim refundable basis with such amounts subject to adjustment in final approvals following a full regulatory review, as described in section 1.2 of this application; and
- (f) such further and other relief as the Commission may provide.

94 All of which is respectfully submitted this 30th day of June 2021.

Alberta Electric System Operator

Per: "Nicole LeBlanc"

Nicole LeBlanc
Director, Markets and Tariff