



January 12, 2010

To: Alberta Utilities Commission (“Commission”)

Re: Notice of Filing – Proposed Level II Changes to Existing OPP 503 Empress Area Operation and Existing OPP 307 Alberta-Saskatchewan Interconnection Transfer Limits (“OPP Rules Changes”)

1. The Alberta Electric System Operator (“AESO”) is filing ISO rules pursuant to Section 20.2(1) of the *Electric Utilities Act* (“EUA”). The AESO is authorized to make ISO rules, including Operations Policies and Procedures (“OPP”), in accordance with Sections 19 and 20 of the EUA.
2. Level II changes are changes that are expected to have a moderate or low impact on the industry or the AESO, 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.

Summary of Amendments

3. On November 19, 2009, the AESO issued a Letter of Notice requesting comments from market participants and interested parties on the OPP Rules Changes. On December 10, 2009, the AESO posted its Final Proposed Changes letter regarding the OPP Rules Changes. In that letter, the AESO confirmed that no comments were received on the OPP Rules Changes. Today (January 11, 2010), the AESO filed the final OPP Rules Changes with the Commission.

OPP 503 Empress Area Operation

4. The purpose of OPP 503 is to define the procedures and responsibilities for the Empress Area load customers and the procedures for the system controller (“SC”) in managing load levels and motor starts in the Empress Area.
5. The OPP Rules Changes to the OPP 503 provisions are driven by the ongoing system reinforcement project - "*Southeast Alberta Transmission Development*". This project includes upgrades the Empress area transmission system with the addition of a 240 /138 KV Cyprus substation, reconfiguration of 240/138 kV transmission lines and the addition of two (2) 27 MVar capacitors at McNeill 840S. With these changes, restrictions on management of the Empress area load and export to Saskatchewan are removed.
6. OPP 503 has been amended to remove sections dealing with the management of Empress area load and curtailment of export to Saskatchewan, including the removal of Table 1, as these are no longer required.



7. OPP 503 has confidential Table 1 (previously Table 2) that includes confidential customer DTS contract information and confidential Table 2 (previously Table 3) that includes confidential customer contact information, which if made public could violate the confidentiality agreements regarding the customer information. For clarity, previous confidential Tables 2 and 3 have been renumbered to confidential Tables 1 and 2 to reflect the proposed removal of existing Table 1.
8. Except for the renumbering of the confidential tables, no revisions were made to the content of these tables. As a result, the AESO will not be requesting the Commission confirm that disclosure of the confidential tables attached to OPP 503 would not be in the public interest.

OPP 307 Alberta-Saskatchewan Interconnection Transfer Limits

9. The purpose of OPP 307 is to establish the transfer limits on the Alberta-Saskatchewan interconnection, and to define the procedures for establishing the export and import transfer capability on the Alberta-Saskatchewan interconnection while ensuring system security in the Alberta Interconnected Electric System ("AIES").
10. Currently the Alberta-Saskatchewan interconnection transfer limit is constrained by thermal restrictions in the Empress area and the transfer capability of McNeill converter station. With the additions in the Empress area (described above in the OPP Rule Changes for OPP 503), the export capacity to Saskatchewan has increased.
11. OPP 307 has been amended to reflect improved export transfer capacity to Saskatchewan.

Attachments to Notice of Filing

12. In accordance with Section 13 of Commission Rule 017, please find the following attached to this Notice of Filing:
 - a) The Letter of Notice sent to those market participants that the AESO considers likely to be affected by the OPP Rule Changes and that was posted on the AESO web site on November 19, 2009. Please note that the AESO has not issued any previous Letters of Notice regarding these changes.
 - b) AESO Final Proposed letter posted on the AESO's website on December 10, 2009. In this letter, the AESO confirmed that no comments were received on the OPP Rule Changes.
 - c) Copies of filed OPP 503 (blacklined and clean); and
 - d) Copies of filed OPP 307 (blacklined and clean).



Proposed Effective Date

13. The AESO proposes that the above-filed OPP Rule Changes take effect on January 27, 2010.
14. The AESO submits that the filed OPP Rule Changes comply with Commission Rule 017 made under Section 20.9 of the EUA, and that they are not technically deficient, support the fair, efficient and openly competitive operation of the market and are in the public interest.

Yours sincerely,

<original signed by>

Paul Glatthor Manager, Authoritative Documents Process
Regulatory Services
Phone: (403) 539-2464
paul.glatthor@aeso.ca

Attachments