



March 1, 2010

To: Alberta Utilities Commission (“AUC” or “Commission”)

Re: Notice of Filing – Proposed Level II Changes to OPP 505 - Fort McMurray Area Operation

1. The Alberta Electric System Operator (“AESO”) is filing the attached 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 (“OPPs”), 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 and/or the AESO, and generally require little or no effort by stakeholders in implementing a solution. Level II Changes are provided to stakeholders for their review to ensure that the expected impact is reasonable, to identify unrealized impacts, and/or to provide notice of the potential change in administrative process.

Background

3. OPP 505 has been the subject of recent amendments and filings with the Commission:
 - (a) On August 26, 2009, the AESO filed with the Commission amendments to OPP 505 pursuant to subsection 20.2(1) of the EUA. The amendments allowed for a new generator interconnection in the area, the installation of a new cut plane, and revisions to Fort McMurray area transfer limits;
 - (b) On September 8, 2009, ATCO Power Ltd. (“ATCO”), Suncor Energy (“Suncor”) and TransAlta Corporation (“TransAlta”) (collectively, the “Objectors”) filed objections to the proposed amendments to OPP 505;
 - (c) On September 11, 2009, the Objectors submitted letters to the Commission indicating, among other things, that they were prepared to agree to the amendments to OPP 505, provided such amendments were confirmed on an interim basis, and subject to various other conditions;



- (d) On September 14, 2009, the AESO requested the Commission confirm the amendments to OPP 505 on an interim basis, effective as of September 16, 2009, to remain in force and effect until the later of the following: (i) the date of an order by the Commission confirming the revised ISO rule 9.4 (the Transmission Constraints Management Rule); and (ii) the date of an order by the Commission confirming the final effective date of OPP 505; and
- (e) On September 15, 2009, the Commission issued an Interim Order for OPP 505 confirming the amendments on an interim basis, effective September 15, 2009, to continue in effect until a final order of the Commission was issued.

Summary of Existing ISO Rule

- 4. OPP 505 provides criteria and policies for the operation of the Fort McMurray area transmission system and defines policies and procedures for the System Controller in implementing transfer limits and ensuring system security in the Fort McMurray area.

Summary of Proposed OPP 505 Changes (“OPP 505 Changes”)

- 5. On December 3, 2009, the AESO issued a Letter of Notice requesting comments from market participants and interested parties regarding further amendments to OPP 505. On January 21, 2010 the AESO posted its Final OPP 505 Changes letter. In this letter, the AESO confirmed that no comments were received from market participants or interested parties with respect to the OPP 505 Changes.
- 6. OPP 505 is being updated at this time to allow for a new load facility scheduled for interconnection in the area in August 2010. To maintain up-to-date procedures, the AESO is proposing changes to Section 3.2 (8)(c) to include the Imperial Oil Resources (“IRO”) Kearl Lake as an area load customer, add the IOR Kearl Lake facility to the Ruth Lake and Leismer cut-planes outlined in Table 1, and to update Figure 1 to reflect the addition of two substations in the Fort McMurray area. These proposed changes will further amend a limited number of the provisions of OPP 505 to accommodate the congestion alleviating benefits of the system upgrades.
- 7. The OPP 505 Changes are aligned with the *Overview of AESO’s approach to pending ISO Rule and OPPs related to Transmission Constraint’s Management and Remedial Action Schemes* letter provided to stakeholders on July 21, 2009.



8. The amendments which are the subject of this filing are discreet and do not address, impact, or affect in any way the objections filed by the Objectors (the objections relate to the Transmission Constraints Management provisions contained in OPP 505). The AESO is of the view that the objections should proceed in accordance with the Commission's previous direction. Further, the AESO submits that the proposed amendments in no way preclude the Commission from issuing a final order with respect to OPP 505 as set out in Decision 2009-140.
9. OPP 505 has a confidential attachment (Table 6) that contains a list of the Fort McMurray area load customers DTS levels. These levels are sensitive commercial information. Changes have been made to Table 6 to add the DTS levels of the new facility interconnected in the area.
10. The AESO requests the Commission confirm that disclosure of Table 6 would not be in the public interest.

Attachments to Notice of Filing

11. In accordance with Section 13 of Commission Rule 017, the following documents are attached to this Notice of Filing:
 - a) Letter of Notice forwarded to market participants and interested parties the AESO considered likely to be affected by these changes and that was posted on the AESO web site on December 3, 2009. Please note that the AESO has not issued any previous Letters of Notice regarding these changes;
 - b) Letter entitled "Final Proposed Changes to OPP 505", posted on the AESO web site on January 21, 2010 which confirms that no comments were received from market participants or interested parties on the OPP 505 Changes; and
 - c) Copies of filed OPP 505 Changes (blacklined and clean).
12. Blacklined and clean copies of confidential Table 6 to OPP 505 are not attached and will be forwarded to the Commission under separate cover.

Proposed Effective Date

13. The AESO proposes that the above-filed OPP 505 Changes take effect on March 18, 2010.



14. The AESO submits that the filed OPP 505 Changes complies with Commission Rule 017 and further submits that the filed OPP 505 Changes 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>

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Attachments