



May 7, 2010

Dear Market Participants and Interested Parties:

Re: Letter of Notice - Proposed Level II “Package 5” Amendments to ISO Rule Section G1 Definitions (“G1 Definitions Changes”) Previously consulted on as Proposed Level II “Package 3” Amendments to and Removal of Existing ISO Rule Section G1 Definitions

Pursuant to Section 2 of the Alberta Utilities Commission (“AUC” or Commission”) Rule 017, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from market participants on the attached fifth package of definition reforms.

The proposed G1 Definitions Changes apply to all market participants.

The G1 Definitions Changes are considered by the AESO to be Level II Changes. Level II Changes are changes that are expected to have a moderate or low impact on the industry and/or the AESO.

Purpose of Proposed “Package 5” Amendments to G1 Definitions

On January 28, 2010, and as part of the Transition of Authoritative Documents project (“TOAD”), the AESO posted a [Letter of Notice](#) and commenced consultation on “Package 3” Amendments to and Removal of Existing ISO Rules Section G1 Definitions.

The AESO previously proposed the removal of certain ISO Rules Section G1 Definitions and stakeholder comments were received on the proposed removal of the definition of “apparent power”. In the AESO’s opinion the definition was commonly understood and did not need to be defined; whereas stakeholders commented that this definition was required.

The AESO also previously proposed amendments to certain ISO Rules Section G1 Definitions and stakeholder comments were received regarding the inclusion or exclusion of volumes for the definitions of “real power, reactive power, metered demand and metered energy”. In addition, stakeholder comments were received on “power factor” specifically related to the reference to “apparent power” within that definition. Stakeholders felt that the term “apparent power” should be maintained as a defined term and identified as such within the definition of “power factor”.

Based on the comments received, the AESO is of the view that additional modifications to the above-identified definitions previously consulted on as part of the January 28, 2010 “Package 3” G1 Definitions Changes are warranted. The attached G1 Definition Changes contains the amendments to the “Package 3” proposed G1 Definitions Changes.



AESO Papers

There were no AESO papers or terms of reference specifically issued respecting the G1 Definitions Changes.

Summary of Amendments - Universal Definition Reforms in Sequential “Packages”

The AESO through the TOAD project is performing a clean-up on definitions to improve and standardize the language and remove definitions that are not used. Information on the TOAD project can be found on the AESO website at www.aeso.ca.

The proposed G1 Definitions Changes contained in this Letter of Notice is a fifth package of definitions that have been internally reviewed and are now proposed for stakeholder comment. The first package was sent out for comment on October 8, 2009, the second package was sent out on October 15, 2009, the third package was sent out on January 28, 2010 and the fourth package was sent out on May 6, 2010. The second package became in force and effect as of December 16, 2009. The third package became in force and effect as of April 30, 2010, while the first package is awaiting a complementary approval under a pending ISO tariff module filing.

The fifth package of G1 Definitions Changes contains further amendments to certain definitions previously issued for consultation as part of the “Package 3” G1 Definitions Changes. This fifth package of G1 Definitions Changes now contains the following:

- a) apparent power
- b) metered demand
- c) metered energy
- d) power factor
- e) real power
- f) reactive power

Please refer to the attached comment-rationale matrix for the specific amendments to the proposed G1 Definitions Changes.

Review of Applicability to Specific Provisions

It should be noted that the proposed G1 Definition Changes together with those amendments included in the first four packages are applicable to the specific provisions of the three authoritative document domains (ISO rules, ISO tariff, and Reliability Standards), and that stakeholders should consider the application of these definition changes accordingly.

Request for Stakeholder Comments

Comments and suggestions on the proposed G1 Definitions Changes are encouraged.



Please use the attached comment matrix provided when submitting comments to the AESO on the proposed G1 Definitions Changes. The AESO's rationale for the key changes has been provided within the comment matrix. Only written comments will be considered in finalizing the proposed G1 Definitions Changes.

Please provide written stakeholder comments or questions by **May 28, 2010** to Evelyn Kelly, evelyn.kelly@aeso.ca, (403) 539-2468

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder comments received along with AESO replies will be published with the final proposed G1 Definitions changes being recommended for internal AESO approval in June, 2010.

Attachments to the Letter of Notice

- a) [Comparison table](#) containing blacklined and clean versions of the proposed G1 Definition changes;
- b) [Copy](#) of the comment-rationale matrix for the proposed "package 5" G1 Definitions Changes.

Proposed Effective Date

The proposed "package 5" G1 Definition Changes are proposed to come into effect on July 15, 2010.

Yours sincerely,

Original Signed By

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