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Submitted via email to [darin.lowther@auc.ab.ca](mailto:darin.lowther@auc.ab.ca)

**Re: AUC Bulletin 2011-16 - Stakeholder consultation regarding process and procedures for reliability standards**

Dear Darin,

TransCanada Energy Ltd. (TCE) appreciates the Alberta Utilities Commission (the Commission) undertaking this consultation with stakeholders and commends the Commission on retaining an external expert to develop the discussion paper. TCE believes that the analysis of the pertinent legal and regulatory framework in the discussion paper is accurate and supports the conclusions of the author. TCE does not believe that the Commission has the authority to restrict Market Participant access to the approval process based on their involvement in previous AESO stakeholder consultations on the matter. Nor does TCE believe the Commission has the right to create AUC rules to that effect, absent the explicit legislative changes envisioned by the author of the discussion paper.

TCE also offers the following in response to the specific questions raised in the bulletin.

1. Whether Section 19(6) of the *Transmission Regulation* offers an interested person procedural rights or standing when a reliability standard is forwarded to the Commission.

TCE believes that Section 19(6) of the *Transmission Regulation* does offer an interested person procedural rights or standing when a reliability standard is forwarded to the Commission. Section 19(6) provides that the Commission must do as the AESO recommends regarding reliability standards unless an “interested person” satisfies the Commission that the reliability standards are technically deficient or not in the public interest. In order for an interested person to discharge this onus that trumps the automatic acceptance of the ISO recommendation, that person must be granted both standing and procedural rights.

2. Whether an interested person’s standing or consideration of their submission regarding a reliability standard should somehow be conditional on their participation in the AESO’s consultation prior to the forwarding of a reliability standard to the Commission.

TCE believes that participation in AESO consultation should not be required for standing or consideration in front of the Commission. There are many potential examples of market participants who might have valid reasons not to have been involved in an AESO consultation (purchasing an asset after the consultation, entering the market after consultation, changes to other rules or regulations after consultation). However, it should be noted that the discussion paper assesses the permissibility of a consultation requirement and confirms that failure to participate in consultation, whatever the reason, is not a basis to dismiss an objection.

3. Whether participation or lack of participation in the AESO's consultation process should be taken into consideration by the Commission as it evaluates the submissions of interested persons.

TCE believes that all participants should be given equal consideration in a procedure regardless of their level of participation in AESO consultation. The AESO conducts a large number of consultation processes every year and market participants have to focus limited resources on those consultations that are most central to their business. As discussed above, there may be valid reasons for a market participant to have limited or no participation in the consultation process, but then to become involved in an objection due to changed circumstances.

4. Whether a departure from the objection process for ISO rules is justified based on the statutory or regulatory provisions governing ISO rules and reliability standards.

TCE is satisfied with the objection process for ISO rules and supports this process being extended to reliability standards.

5. The need for a pre-hearing meeting in each case to discuss:
  - (a) the issues regarding a reliability standard;
  - (b) whether parties would benefit from a settlement meeting; and
  - (c) whether any aspects of a reliability standard not at issue may be approved by the Commission in advance of the completion of any Commission proceeding

TCE believes that the possibility of a pre-hearing meeting should be preserved but not mandated. It should be at the discretion of the AUC based on the level of conflict in the issues, parties' positions and potential value to the proceeding.

Should you wish to discuss any of this further, I can be reached at (403) 920-2081 or via e-mail ([chris\\_best@transcanada.com](mailto:chris_best@transcanada.com))

Regards

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