



July 27, 2011

Mr. Darin Lowther
Director, Market Services
Alberta Utilities Commission
Fifth Avenue Place
Fourth Floor, 425 First Street S.W.
Calgary AB T2P 3L8

Dear Darin,

RE: Bulletin 2011-16: Stakeholder consultation regarding process and procedure for reliability standards

Thank you for the opportunity to provide comments regarding *AUC Bulletin 2011-16: Stakeholder consultation regarding process and procedure for reliability standards*. The following are ATCO Power Ltd.'s (ATCO's) comments in response to the questions raised in the Bulletin.

Mr. Mullan's position, as outlined in his paper titled *Consultation on Powers of Commission with Respect to Market Participants Not Participating in Consultations Conducted by Independent System Operator on Proposed Rules and Reliability Standards*, is that there is no basis in law or precedent that suggests the AUC would be legally justified in restricting objections to proposed reliability standards based on previous participation in the AESO's stakeholder consultation process. Based on our interpretation of the *Transmission Regulation* and the *Electric Utilities Act*, ATCO agrees with Mr. Mullen.

There are many valid reasons why a market participant may not have actively participated in a consultation process. ATCO's position is that entitlement to object to the Commission regarding a reliability standard should not be restricted in any way based on previous involvement (or perceived lack of involvement) with the AESO's stakeholder consultation process. ATCO believes that the Commission should view all "interested persons" equally; the participation record of an "interested person" in the AESO's stakeholder consultation process should not be taken into consideration by the Commission and objections should be evaluated on their intellectual merit only.

Regarding the AUC's question relating to a departure from the ISO rules process, ATCO's view is that even though the legislative schemes for reliability standards and ISO rules may be separate and distinct, the AUC's process for ISO rules objections works well and there is no reason why a similar process cannot be adopted for reliability standards. Market participants who provided comments, as published in Bulletin 2011-10, indicated support for the AUC's proposed process. Although ATCO did not provide comments on this issue previously, we also support the AUC's proposal for a reliability standard objection process that would be similar to the process in place for ISO rules objections.

The AESO has proposed that the AUC objection process include a pre-hearing meeting. ATCO questions the benefit of such a meeting as the AESO's present consultation process is quite comprehensive and provides a number of opportunities for the AESO to work through industry

concerns and resolve them. ATCO's view is that an open hearing (either oral or written) process may be the most expedient way to resolve any issues that cannot be resolved during the AESO's consultation process. A hearing process would also maintain a high degree of transparency, something all market participants would be concerned about since reliability standards affect each one, and issues resolved to the satisfaction of only one market participant may adversely affect another market participant.

Once again, ATCO appreciates the opportunity to comment on this matter. Should you have any questions relating to our comments, please do not hesitate to contact the undersigned.

Regards,

A handwritten signature in black ink, appearing to read 'Mary Dylke', with a long horizontal flourish extending to the right.

Mary Dylke
Team Lead, Compliance
403-245-7521