



10065 Jasper Avenue, Edmonton, Alberta  
T5J 3B1 Canada  
**epcor.ca**

July 21, 2011

Alberta Utilities Commission  
#400, 425 1<sup>st</sup> Street SW  
Calgary Alberta  
T2P 3L8

**Attention:** Darin Lowther  
Director, Markets

Dear Mr. Lowther:

**Re: Bulletin 2011-16 – Stakeholder consultation regarding process and procedure for reliability standards**

On June 30, 2011, the Alberta Utilities Commission (“AUC” or “Commission”) invited market participants to provide written comments on five issues in the context of a discussion paper titled, “Consultation on Power of Commission with Respect to Market Participants Not Participating in Consultations Conducted by Independent System Operator on Proposed Rules and Reliability Standards” by David Mullan. EPCOR Distribution & Transmission Inc’s (“EDTI”) comments on these five issues are provided below.

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.*

In EDTI’s view, section 19(6) of the *Transmission Regulation*, AR 86/2007 does offer an interested person procedural rights or standing when a reliability standard is forwarded to the Commission. Section 19(6) states that:

The Commission must follow the recommendation of the ISO that the Commission approve or reject the proposed reliability standards, agreements, criteria or directives unless an interested person satisfies the Commission that the ISO’s recommendation is

- (a) technically deficient, or
- (b) not in the public interest.

Section 19(6) should be read in light of the *Electric Utilities Act’s* broad interest in protecting the public interest. An interested person that believes a proposed reliability standard to be either technically deficient or not in the public interest must be given the right and opportunity to present their case to the Commission to satisfy it that the ISO’s recommendation is either technically deficient or not in the public interest.

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 consultation prior to the forwarding of a reliability standard to the Commission.*

EDTI agrees with Mr. Mullan's position that there appears to be no provision in any existing acts, regulations or AUC Rules that authorizes the AUC to preclude any interested party from objecting to the adoption of a reliability standard regardless of whether or not that party participated in the AESO's consultation process for that standard.

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 submission of interested persons.*

The Commission should not take into consideration interested parties' participation or lack of participation in the AESO's consultation process when it evaluates their submissions. EDTI recognizes the importance of the AESO consultation process and believes that affected parties should be engaged in the process as early as possible. But at the conclusion of that process the reliability standards under consideration are not static. They may be altered significantly between the consultation stage and the filing stage, and some parties who may not have previously been affected by the drafted standard may have concerns with the version forwarded to the Commission. For this reason, the Commission can better safeguard the public interest if it does not evaluate the submission of interested persons in light of their participation or non-participation in the AESO's consultation process.

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.*

In accordance with Section 19(6) of the *Transmission Regulation*, interested persons must have the opportunity to satisfy the Commission that the ISO's reliability standard recommendation is either technically deficient or not in the public interest. A process must be created in order to provide interested persons this opportunity. EDTI recommends that the objection process for ISO rules also be used for 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.*

As explained above, EDTI is satisfied with the objection process for ISO rules but does not have any concerns with a pre-hearing meeting in each case to discuss items (a) to (c) above, should the Commission deem a pre-hearing meeting useful.

For any questions or for further clarification, please contact me at 780-441-7154 or jelford@epcor.ca

Yours truly,



John Elford  
Director, Planning & Project Delivery  
EPCOR Distribution & Transmission Inc.