

February 25, 2019

To: Persons currently registered on Proceeding 23778

**Decommissioning Costs for the Sundance 1 and Sundance 2 Generating Units
Proceeding 23778
Application 23778-A002**

Ruling on standing

1. TransAlta Corporation (TransAlta) filed an application with the Alberta Utilities Commission on December 20, 2018, requesting that the Commission approve the decommissioning costs associated with the Sundance generating units 1 and 2 (the application). The application was submitted pursuant to Section 5 of the *Power Purchase Arrangements Regulation*.

2. In Paragraph 49 of Decision 23778-D01-2018, the Commission had previously determined that:

If the decommissioning costs collected from customers under the [power purchase arrangement (PPA)] are less than the costs of decommissioning the unit, TransAlta is entitled to receive a payment representing the difference from the Balancing Pool. If TransAlta has collected decommissioning costs from customers under the PPA that are in excess of its decommissioning costs, TransAlta will pay the difference to the Balancing Pool. Finally, if the amount collected from customers is equal to its decommissioning costs, there will be no payment to or from the Balancing Pool. Each of the three results is a potential outcome of the quantification process.¹

3. In the application, TransAlta stated that the costs collected from customers under the power purchase agreement were less than the costs of decommissioning Sundance generating units 1 and 2. TransAlta therefore requested that the Commission direct the Balancing Pool to pay TransAlta the costs submitted in the application.

4. In this ruling, the Alberta Utilities Commission decides whether to hold an oral public hearing to consider the application.

5. The Commission must hold a hearing if parties who have filed a statement of intent to participate in Proceeding 23778 have demonstrated that they have rights that may be “directly and adversely affected” by the Commission’s decision. Such a party may participate fully in the hearing, including giving evidence, questioning of witnesses, and providing argument. This permission to participate is referred to as standing.

¹ Decision 23778-D01-2018, TransAlta Corporation, Preliminary Motion for Sundance Unit 1 and Unit 2 Decommissioning Costs, Decision on Preliminary Legal Issues, Proceeding 23778, Application 23778-A001 October 4, 2018.

6. The Commission issued a notice of application for Proceeding 23778 on January 8, 2019. The Commission received statements of intent to participate from the Balancing Pool, the Office of the Utilities Consumer Advocate, the Industrial Power Consumers of Alberta and the Alberta Direct Connect Consumers Association.

7. The Commission has authorized me to communicate its decision on standing.

Ruling

8. Costs incurred by the Balancing Pool would affect all consumers. The Commission is satisfied that all stakeholders who have filed submissions represent consumer interests that may be directly and adversely affected by the Commission's decision on the application. Consequently, they have standing to participate in the oral public hearing. A notice of hearing will be issued in due course.

9. If you have any questions, please contact me at 403-592-4493 or david.reese@auc.ab.ca.

Yours truly,

David Reese
Commission Counsel

Attachment

Schedule A - Persons with standing in Proceeding 23778

Name
Representative
Office of the Utilities Consumer Advocate Jensen Shawa Solomon Duguid Hawkes LLP
Balancing Pool DLA Piper (Canada) LLP
Industrial Power Consumers Association of Alberta
Alberta Direct Connect Consumers Association