

Stakeholder Comment Matrix – June 25, 2020

Participant-Related Costs for DFOs (Substation Fraction) and DFO Cost Flow-Through
Technical Session 3



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| Period of Comment: June 25, 2020 through July 17, 2020 | Contact: [REDACTED] |
| Comments From: FortisAlberta | Phone: [REDACTED] |
| Date: 2020/0717 | Email: [REDACTED] |

Instructions:

1. Please fill out the section above as indicated.
2. Please respond to the questions below and provide your specific comments.
3. **Please submit one completed evaluation per organization.**
4. Email your completed comment matrix to tariffdesign@aeso.ca by **July 17, 2020**.

The AESO is seeking comments from Stakeholders with regard to the following matters:

| | Questions | Stakeholder Comments |
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| 1. | <p>Please comment on Technical Session 3 hosted on June 25, 2020. Was the session valuable? Was there something the AESO could have done to make the session more helpful?</p> | <p>The session summarized the AESO’s revised proposal. However, the AESO neglected to firmly take ownership of the solution in their proposed treatment of shared transmission costs. This leaves the issue still unresolved for DFOs to address in their tariffs and creating further future uncertainty for all stakeholders (i.e., DFOs, TFOs, DCGs,).</p> <p>The session would have been more helpful had the AESO taken accountability for its ISO Tariff and not suggested that the transmission costs allocation issue be revisited at the distribution tariff level. All transmission costs, whether incremental and/or shared, should be allocated by the AESO to supply and load at the ISO tariff level and flowed through the distribution tariffs accordingly.</p> <p>The AESO should declare that, currently, it does not have sufficient information to support prospectively charging shared transmission costs to DCGs and that this issue could be revisited in future AESO tariff applications, if required, and as additional information materializes.</p> |
| 2. | <p>Please comment on your level of support for the AESO’s revised proposal and the level to which AESO’s revised proposal supports the principles (as developed through this stakeholder engagement). Please be as specific as possible.</p> | <p>In the evaluation matrix of the proposals, FortisAlberta was generally supportive of all proposals whether they included incremental facility costs only or a portion of shared transmission costs. That is, all of the proposals effectively abandoned the substation fraction methodology which FortisAlberta considered unworkable from the outset.</p> <p>As such, FortisAlberta is supportive of the AESO’s revised proposal with the exception of suggesting that the ISO Tariff cost allocation issue is not yet final and may be further addressed by DFOs in their distribution tariffs.</p> |
| 3. | <p>Please comment on any outstanding risks or issues you see with the AESO’s revised proposal. Please be as specific as possible.</p> | <p>FortisAlberta identifies three major issues with the revised proposal:</p> <ul style="list-style-type: none"> i. Uncertainty exists with respect to DFO discretion and/or flow through of shared transmission costs to stakeholders making future investment decisions; ii. Implementation issues related to pre-existing substation fraction CCDs are not addressed; and iii. Uncertainty exists regarding Commission acceptance and regulatory risk/lag associated with approval of the AESO’s revised proposal. |

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| 4. | Please provide any further comments you may have on next steps regarding regulatory process and implementation. Please be as specific as possible. | In light of the AUC correspondence issued on Monday July 13, 2020, FortisAlberta will be responding to the AUC's request for comments on further process that are due by July 27, 2020. |
| 5. | Additional comments | None. |

Thank you for your input. Please email your comments to: tariffdesign@aeso.ca.