

September 1, 2021

To Market Participants and Other Interested Parties

Dear Stakeholder:

Re: **Corrected Loss Factors and True-Up Adjustments for 2010 Under Module C of Alberta Utilities Commission (“Commission”) Proceeding 790, Complaints Regarding the ISO Transmission Loss Factor Rule and Loss Factor Methodology**

In an update on June 28, 2021 on loss factor activities under Module C, the AESO advised stakeholders it was in the process of recalculating the Module C loss factors for all years from 2006 to 2016 to reflect the correction of errors in system topologies. The AESO is implementing the corrections from 2006 forward to 2016 and will publish the corrected loss factors and resulting adjustments for each year as they become available. The AESO will then financially settle the adjustments in conjunction with the “true-up” settlement process described in the Module C Settlement Procedure document posted on the AESO website. Cash settlement is expected to occur in December 2021.

The AESO has now implemented the system topology corrections for 2010, recalculated and published the loss factors for 2010, and estimated and published the resulting adjustments, as follows:

- The corrected 2010 loss factors and workbook showing calculations for 2010 loss factors are available on the AESO website at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► Loss factors recalculation for 2006-2016 ► 2010 recalculated loss factors.
- Access to the corrected 2010 system topologies can be requested through the process for which a link is provided on the same page. Stakeholders who previously received access to the system topologies will automatically be provided access to the corrected system topologies.
- There have been no changes to other information used for the recalculated loss factors for 2010.
- The estimated Module C true-up adjustments for 2010 are available on the AESO website at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► Loss factors recalculation for 2006-2016 ► Module C Adjustment Charges and Refunds.

Table 1 lists the significant system topology corrections that were implemented for 2010. As well, minor corrections for 2010 were implemented in the following planning areas:

- South Region: Area 53 – Fort Macleod; Area 54 – Lethbridge
- Calgary Region: Area 6 – Calgary
- Central Region: Area 36 – Alliance/Battle River; Area 37 – Provost
- Edmonton Region: Area 60 – Edmonton; Area 40 – Wabamun
- Northeast Region: Area 25 – Fort McMurray
- Northwest Region: Area 20 – Grande Prairie; Area 23 – Valleyview

Table 1 – Significant System Topology Corrections Implemented for 2010 Module C Loss Factor Calculations

Planning Area	Description of Error	Affected Facilities	Affected Months
South Region			
Area 48 – Empress Area 4 – Medicine Hat	Incorrect line characteristics	658L, 668L, 669L, 760L, and 830L lines, Empress and Medicine Hat areas	Jan 2010 – Oct 2011
Area 53 – Fort Macleod	Incorrect line characteristics	725L line, Fort Macleod – Coalbanks	Jan 2009 – Oct 2011
Central Region			
Area 28 – Cold Lake	Incorrect line characteristics	7L74 and 7L83 lines, Wolf Lake – Leming Lake	Jan 2010 – Dec 2012
Northeast Region			
Area 33 – Fort Saskatchewan	Inclusion of facilities not in service	943L line, Heartland – Deerland	Mar 2008 – May 2010
Area 33 – Fort Saskatchewan	Incorrect line characteristics	708L line, Lamoureux – Beamer	Mar 2009 – Apr 2010
Area 33 – Fort Saskatchewan	Exclusion of facilities in service	808L line, Redwater – Deerland	Jul 2010
Northwest Region			
Area 21 – High Prairie	Inclusion of facilities not in service	7L23 line, Mitsue – Narrows Creek	Aug 2009 – May 2010

System topologies reflecting the corrections summarized above have been used to determine corrected Module C loss factors for 2010. If settled on their own, adjustments from the corrected loss factors would total approximately \$1.5 million of charges and \$1.7 million of refunds for 2010. As discussed in the AESO's June 28 update, the amounts are significantly less than the initial Module C adjustments settled in February 2021, which comprised \$33.6 million of charges and \$33.5 million of refunds for 2010.

As mentioned above, adjustments from the corrected loss factors will be settled as part of the Module C true-up process described in the *Module C Settlement Procedure* document. The AESO has to date been able to collect all Module C charges for 2010. As a result, the total true-up adjustments estimated for 2010 comprise only the amounts provided above, which include adjustments from the corrected loss factors and interest to the expected date of cash settlement in December 2021. Any imbalances for 2010 that remain after the true-up settlement process will be addressed by way of Rider E on a going forward basis, as described in the *Module C Settlement Procedure* document. The AESO updated the *Module C Settlement Procedure* document on August 6, 2021, to include additional information on the true-up settlement process, including the schedule for expected settlement activities.

The AESO will continue to publish the corrected loss factors and associated adjustments for each remaining Module C year as the corrections and adjustments for each year become available.

Stakeholders can access Module C data, results, and related information on the AESO website at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► Loss factors recalculation for 2006 2016. Module C stakeholder updates and related information, including technical meeting presentations, are available at www.aeso.ca ► Grid ► Grid-Related Initiatives ► Loss factors ► Stakeholder engagement.

The AESO will provide further stakeholder updates when additional information becomes available. In the meantime, stakeholders may contact Milton Castro-Núñez at milton.castro-nunez@aeso.ca or John Martin at john.martin@aeso.ca with any concerns or questions.

Yours truly,

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