

To: Market participants and other interested parties

Date: Tuesday, May 31, 2022

Subject: Deferral Account Reconciliation (DAR) Extension Deadline

On December 11, 2019, the Alberta Utilities Commission (Commission) issued Decision 24910-D01-2019, regarding the Alberta Electric System Operator's (AESO) 2017 and 2018 Deferral Account Reconciliation (DAR) application. In Decision 24910-D01-2019, the Commission directed the AESO as follows:

To the extent possible, the Commission directs the AESO to either file future DAR applications by quarter two of a calendar year and/or to provide DFOs with estimates of the annual deferral account shortfall or surplus amounts by the end of quarter one, so that the DFOs are better positioned to collect or refund these amounts in their transmission access charge deferral account applications during the same calendar year the AESO seeks settlement of these amounts.

The AESO is notifying Distribution Facility Owners (DFOs) and other interested stakeholders that the AESO may be unable to meet the June 30, 2022 deadline, but in any event expects to file its upcoming DAR application by July 30, 2022. The delay is due to resourcing and time constraints that have resulted from the AESO's transition to a new enterprise resource planning software.

The AESO is also advising stakeholders that its application will involve adjustments to production years 2014 through to 2021, and that the AESO now estimates that its 2021 DAR application will seek approval to reconcile a total surplus amount in the range of \$6 to \$11 million.

Following approval from the Commission, this amount would be applied to all Rate DTS, Demand Transmission Service, and Rate FTS, Fort Nelson Transmission Service customers through the AESO's Deferral Account Reconciliation System (DRS). Depending on the Commission's regulatory process, settlement of the 2021 DAR balances is likely to occur in Q4 2022.