



April 22 2010

Alberta Electric System Operator
2500, 330 - 5 Avenue SW
Calgary, AB
T2P 0L4

Attention: Mr. Kris Aksomitis

Dear Kris

RE: Intertie Restoration Discussion Paper

ATCO Power appreciates the opportunity to provide comments on the AESO Discussion Paper released March 26, 2010 and would like to reaffirm its objection to the preferential treatment of importers over intra Alberta generation that is proposed in this document.

The current paper suggests a solution to relieve (import) congestion on the intertie by implementing an armable Load Shed Service (LSSi) that is funded entirely (potentially only mostly) by Alberta Load customers through the tariff. ATCO Power would like to refer to the AESO's Congestion Management Plan and the Rule 9.4 AUC Re-Filing Proposal. These documents deal with the treatment of intra-Alberta congestion.

To be able to compare imports relative to intra Alberta generation it is a useful exercise to envision the current interties being intra Alberta transmission lines and the imports as generators upstream of the transmission lines. Applying rule 9.4.4 Transmission Constraint Mitigation, the AESO would go through the following process:

1. Curtail effective generating assets upstream of the transmission constraint (9.4.4.a.vii)
2. Dispatch generating assets downstream of the transmission constraint in accordance with the energy market merit order to increase or begin energy production (9.4.4.a.viii)

This would result in the upstream generator being constrained down without compensation and the price in Alberta being set as if said generator was not available to produce energy. The current treatment of imports aligns with this methodology:

1. Import ATC is reduced effectively constraining down importers
2. Alberta generators are dispatched to supply the load that is not served by the imports

The result here is that the import is constrained down without compensation and the price in Alberta being set as based on the importer not being able to provide energy.

The current document now proposes to first of all implement a load curtailment scheme to avoid constraining down the import. This advantages importers over upstream domestic generators that would be constrained down without compensation.

Further, the costs of RA schemes associated with upstream domestic generators would be born by these generators which is a disadvantage to the current AESO proposal to socialize these types of costs for imports.

As a consequence ATCO Power views the current discussion paper as incompatible with a fair, efficient, and openly competitive market.

If you have any question or would like any additional information, please contact myself at (403) 209-6974 or Kim Johnston at (403) 209-6949.

Regards,

A handwritten signature in dark ink, appearing to read 'Horst Klinkenborg', written in a cursive style.

Horst Klinkenborg