



January 2, 2013

Miranda Keating Erickson - Director, Market Services  
Alberta Energy System Operator (AESO)  
2500, 330 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0L4

Dear Miranda:

**RE: Total Export Transfer Capability Postings**

Based on our recent discussions, it is our understanding that on January 2, 2013 the AESO will implement IT changes that make forecasts of future export TTC without reference to SOK flows. These forecasts will also be more accurate than the ones based on SOK flows. These IT changes were part of a larger package of IT changes that dictated the schedule. There are a number of existing OPPs, the removal of which has been consulted on but will not occur until the ATC Allocation Rule comes into effect. Two of these OPPs (304 and 307) require the forecast of export TTC to be based on SOK flows.

Essentially, while the removal of these OPPs is pending, the AESO is in technical violation of its own rules with the implementation of the IT changes on January 2, 2013. Upon being advised by the AESO of these upcoming changes, the AESO and MSA have sought to find a practical way to solve this problem, which is essentially one of timing.

The MSA has the obligation to ensure that all market participants follow ISO rules, including the AESO. The MSA also has the authority to forbear in situations where it makes sense to do so. This occurs frequently in cases where market participants self-report infractions of ISO rules and where the participants inform the MSA of all relevant particulars and there is no pattern of poor compliance.

In this particular case, the AESO has brought this to the attention of the MSA prior to implementation and has sought a solution to the problem. On that basis, the MSA is prepared to forbear on the matter provided that the AESO publishes a notice to market participants providing all relevant details including a commitment to have the relevant

OPPs withdrawn by July 1, 2013. The MSA will also publish this letter by posting it on our website.

If you have any questions, please contact me.

Yours truly,

*“Original Signed”*

Market Surveillance Administrator

Per: Mike Nozdryn-Plotnicki

Senior Advisor