



Box 1900, Station "M"
110 - 12 Avenue SW
Calgary, Alberta T2P 2M1

Fax Cover Sheet

Date: Dec 17, 2010

To: Ontario Energy Board

Email

Phone:

From: Anne Halcro

Fax: 403-267-6906

Phone: 403-267-6943

Number of Pages Including This Cover Sheet: 3

If you do not receive all pages, please call: Anne Halcro at 403-267-6943

Kirsten Wall
Board Secretary
Ontario Energy Board

Please find attached a letter from Mr. Dean Luciuk, VP of Trading and Asset Optimization for TransAlta.

Thank you,
Anne Halcro
Directors Assistant
To the Vice-President, Trading and Asset Optimization



TransAlta Corporation
Box 1900, Station "M"
110-12th Avenue S.W.

Calgary, Alberta
T2P 2M1
T (403) 267 7110

Wednesday, December-15-10

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Ontario Power Authority - Proposed Fiscal 2011 Expenditure and Revenue Requirement -
Ontario Energy Board ("OEB") File No.: EB-2010-0279**

In accordance with the Ontario Energy Board's Notice of Application and Hearing dated November 24, 2010, TransAlta Energy Marketing Corp. ("TransAlta") is submitting these written comments on the proposed Ontario Power Authority ("OPA") fees case. This issue is described in the OEB's Procedural Order No. 1 – Draft Issues as *7.2 Is the proposal to recover OPA fees from export customers reasonable and appropriate?*

Until the present, OPA fees have been recovered from Ontario load rather than the inclusion of exports in paying this fee. As TransAlta is both a major generator in the Ontario market, with over 1,000 MW installed, and a major importer / exporter in the Ontario electricity market, we have significant concerns over the OPA's decision to recover OPA fees from export customers.

TransAlta views the imposition of an OPA fee structure on exports as inefficient and counter-productive to the goals of a well functioning electricity market. The OPA fees are, in effect, an increase in the export Tariff Fee, which was considered extensively in Hydro One's most recent transmission rate proceeding (including the preparation of a special study by the IESO regarding the impact of the level of the export charge on surplus baseload generation and Ontario consumers). In



www.transalta.com

contrast the justification in the OPA's evidence for effectively increasing the export fee is minimal. There is no discussion of the impact of a higher export fee on efficiency gains in Ontario and between electricity markets

While other electricity markets have been lowering export fees and reducing seams issues in pursuit of greater efficiencies between markets, the OPA export fee structure is, in effect, reducing efficiencies from imposing such a fee structure on exports or if there are other more efficient mechanisms to achieve their fee requirement.

Finally, because the proposal to extend the usage fee to exporters is new, and that proposal may impact materially on the usage fee, we would urge the Board to refrain from approving the "applied for" usage fee at the interim level. Instead, we would ask the Board to approve the interim fee at the current rate.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Luciuk". The signature is stylized with a large loop and a horizontal line across it.

Dean Luciuk

Vice President - Trading and Asset Optimization

TransAlta Corp.

dean_luciuk@transalta.com

1. Export Transmission Service (ETS) Charge August 2009

<http://www.ieso.ca/imoweb/pubs/consult/se78/se78-20090828->

[ETS Tariff Report Appendices pdf](#)