



November 4, 2005

Sent via e-mail

**Transmission Facility Owners
Interested Parties**
TFO Terms and Conditions of Service

Dear Stakeholder:

Re: TFO Terms and Conditions of Service Consultation

On October 6, 2005 the Alberta Electric System Operator (AESO) held a meeting with all Alberta Transmission Facility Owners (TFOs) to discuss an initiative to review and update all TFO Terms and Conditions of Service (T&C's) with a goal of establishing a level of consistency amongst these T&C's and to reflect developments that have occurred in the electricity industry since 2003. Some of the high level results of the discussion are summarized below:

- It was noted by TFOs that the AESO's proposed schedule was rather ambitious considering the current regulatory processes the TFOs were currently involved in.
- The TFOs also stated that one of the TFOs should lead the process. The AESO agreed that it was acceptable for a TFO to lead the project and requested that the parties nominate a project leader for the initiative. However, one TFO (Lethbridge) indicated that the AESO was in the best position to manage the discussion.
- TFOs agreed that there would be some form of stakeholder consultation only when a completely revised T&C's document was drafted.
- The AESO provided a revised schedule on October 7, 2005 for comment. An alternate revised schedule proposed by TFOs is included on the following page of this letter.

As a result of further communication with TFOs following the October 6, 2005 meeting, the following conclusions were reached:

- ENMAX will assume the lead role for this initiative. The AESO commits to maintaining an active role in the process and will act in accordance with its public mandate interest.
- Final documents regarding this process will continue to be posted on the AESO website for comment (along with a copy of this letter). These documents will be available at www.aeso.ca by following path Quick Links ► Current Regulatory Activities, in the "TFO Terms and Conditions of Service Consultation" section. Note that on November 8, 2005, the AESO will be launching a updated website and material related to TFO T&Cs consultation will be located under the "Tariff" section.

The AESO would like to that some TFOs have recently filed tariff applications, and the EUB has yet to determine the schedules for these applications. Consequently, there is the potential for the TFO tariff application schedules to conflict with the schedule below that has been

proposed to address the TFO Ts&Cs. As a result, should any TFO(s) feel that their regulatory involvement is such that the Ts&Cs schedule needs to be revised, they may do so.

AESO as lead

1. November 4, 2005 AESO to distribute schedule and letter (this letter).

ENMAX as lead

2. November 8, 2005 TFOs inform EUB of interest in developing common set of T&C's and request that the EUB deal separately with this issue for all TFOs as part of its review of the various TFO tariffs.
3. November 15, 2005 ENMAX calls scope/outline/timeline discussion with TFOs and AESO.
4. November 16, 2005 - January 11, 2006 TFOs and AESO submit comments or redline to ENMAX for redraft requirements in master draft T&C's.
5. November 30, 2005 Inform stakeholder community of EUB process as determined in Step 2 above.
6. January 16, 2006 Project lead reconvenes TFOs and AESO to review draft T&C's based on submitted comments.
7. January 23, 2006 TFOs and AESO meeting with EUB to discuss the process for going forward to the EUB with a common set of T&C's.
8. February 15, 2006 Revised T&C's distributed and posted on AESO website for stakeholder comment.
9. February 28, 2006 Stakeholder comments due.
10. March 15, 2006 T&C's incorporating comments from stakeholders distributed.
11. March 23, 2006 Updated T&C's submitted to EUB.

The AESO would like to thank each party for taking the time and effort to participate in the process and hopes the aforementioned accurately summarizes the October 6 meeting and subsequent communication between the TFOs.

If you have any comments or questions regarding this letter, please contact me at (403) 539-2468 or randeep.nota@aeso.ca.

Yours truly,

[original signed]

Randeep Nota
Regulatory Analyst

cc: Jamie Cameron, EUB
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