



September 28, 2007

Alberta Energy & Utilities Board  
Utilities Branch  
640 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3G4

Attention: Mr. Jay Halls

Dear Sir;

Re: Updated Transmission Facility Owner Terms and Conditions of Service

I refer you to the February 16, 2007, EUB Decision 2007-012 whereby the Board directed AltaLink that:

“In the event that the AESO is unable to be the applicant in the stead of the TFOs for the purposes of Section 13(2) and/or the “generic” T&C update, AltaLink, as the largest TFO in Alberta, should act as the “lead” applicant for the application pursuant to Section 13(2). In this event, the Board directs AltaLink to an application no later than September 10, 2007.”<sup>1</sup>

It is in this regard that attached to this letter is a single proposed updated TFO Terms and Conditions (“T&Cs”) document that reflects the current Transmission Regulation requirements pertaining to all Alberta TFOs. The AESO and the following TFOs; ENMAX Power Corporation, ATCO Electric Ltd., EPCOR Distribution and Transmission Inc., The City of Lethbridge Electric Utility, The City of Red Deer Light and Power and AltaLink L.P. have reached an agreement with respect to the attached TFO T&Cs and request EUB approval regarding same. Further to this and with respect to the submission date, also included is a copy of the letter that was sent to your attention on September 10, 2007, that requested an extension to the filing date.

The revised T&Cs has also taken into account the distinction of the AESO’s Rules and has been incorporated into the body of the new document. The intent of the changes to the T&Cs regarding the AESO’s Rules is to delineate what events, procedures and other related items that would fall under either the AESO’s Rules or under the T&Cs. It is the expectation of the TFOs and the AESO that this should provide the necessary clarity to all parties regarding this issue.

Following the review of the proposed updated TFO T&Cs document by the EUB and interested parties, it is anticipated that each TFO would file individual TFO T&Cs documents based on the generic document as approved by the EUB. The filing of the individual TFO T&Cs document would be done as directed by the EUB, possibly in the TFO’s GTA application.

Should you have any questions regarding this matter please contact John Piotto at 267-2103.

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<sup>1</sup> EUB *Decision 2007-012* (AltaLink 2007/2008 GTA), Page 137.

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Yours Truly,

*{Signature on File}*

Zora Lazic  
Senior Vice President, Regulatory and Client Services

Submitted on behalf of the following Alberta TFOs:

AltaLink Management Ltd. *Signature on File*

ATCO Electric Ltd. *Signature on File*

ENMAX Power Corporation *Signature on File*

EPCOR Distribution and Transmission Inc. *Signature on File*

The City of Lethbridge Electric Utility *Signature on File*

The City of Red Deer Light and Power *Signature on File*

And on behalf of the AESO:

The Alberta Electric System Operator *Signature on File*

Cc: *Via Email*

ATCO Electric Ltd.  
ENMAX Power Corporation  
EPCOR Distribution and Transmission Inc.  
The City of Lethbridge Electric Utility  
The City of Red Deer Light and Power  
The Alberta Electric System Operator



September 10, 2007

Alberta Energy & Utilities Board  
Utilities Branch  
640 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 3G4

Attention: Mr. Jay Halls

Dear Mr. Halls;

Re: Updated Transmission Facility Owner Terms and Conditions of Service – Request for Extension to Filing Date.

As per our conversation last week I advised you that the Alberta TFOs and the AESO have reached an agreement in principle regarding the TFO T's and C's, and that an extension to the filing date may be required in order for internal approvals to take place before the document is filed with the Board. It has now been ascertained that internal approvals will indeed be required before the TFO T's and C's can be filed and that an extension to the Board Directive<sup>1</sup> regarding the September 10, 2007 filing date will be required.

Therefore, the AESO and the following TFOs; ENMAX Power Corporation, ATCO Electric Ltd., EPCOR Distribution & Transmission Inc., The City of Lethbridge Electric Utility, The City of Red Deer Light and Power and AltaLink L.P. respectfully request for an extension to file the TFO T's and C's from September 10, 2007, to September 28, 2007.

Should you have any questions regarding this matter please contact me at 267-2103.

Yours Truly,

John Piotto  
Vice President, Regulatory

Cc: (AESO and TFOs listed in body of letter)

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<sup>1</sup> EUB Decision 2007-012 (AltaLink 2007/2008 GTA), Page 137.

# **NAME OF TFO**

Transmission  
Terms and Conditions

1.	<i>Transmission Terms and Condition</i> .....	1
2.	<i>Definitions</i> .....	1
3.	<i>Provision of Services</i> .....	7
	3.1 Provision of Transmission Services .....	7
	3.2 Provision of Additional Services.....	12
	3.3 Collaborative Process .....	12
4.	<i>Payment Terms</i> .....	12
5.	<i>Provision of Information</i> .....	13
6.	<i>Provision of Metering Services</i> .....	16
7.	<i>Indemnity and Consequential Loss</i> .....	17
	7.1 Indemnity .....	17
	7.2 Consequential Loss .....	20
8.	<i>Force Majeure</i> .....	21
	8.1 Definition.....	21
	8.2 Force Majeure Relief.....	21
	8.3 Exclusions.....	21
	8.4 Notice.....	21
	8.5 Obligation to Remedy .....	22
	8.6 Strikes and Lockouts.....	22
9.	<i>Dispute Resolution</i> .....	22
10.	<i>Interconnections and Expansions</i> .....	25
	10.1 Interconnections with Electrical Systems Bordering the IES.....	25
	10.2 Interconnections with Electric Systems Within the IES .....	26
	10.3 Expansions of the Transmission System .....	26
11.	<i>Compliance With External Agency Requirements</i> .....	26
12.	<i>Maintenance of Records</i> .....	28
13.	<i>Notifications</i> .....	29
14.	<i>Severability</i> .....	30
15.	<i>Enforceability</i> .....	30
16.	<i>General</i> .....	30
17.	<i>Amendments to the Schedules</i> .....	31

<i>Schedule A. Information and Data</i> .....	32
1) Information Required by the Independent System Operator and Other Transmission Facility Owners .....	32
2) Information Required by the Transmission Facility Owner.....	35
<i>Schedule B. Notifications</i> .....	38
1) Notification Provided to the ISO.....	38
2) Notification Provided to the TFO.....	40
<i>Schedule C. Operating and Planning Practices</i> .....	41
1) ISO Operating Policies and Procedures .....	41
2) TFO Operating Policies and Procedures .....	42
3) ISO Committees .....	43
4) Interconnection of New Facilities .....	43
<i>Schedule D. Outage Coordination</i> .....	44
1) Planned Outages .....	44
2) Changes to the System Coordination Plan .....	44
3) Inspection and Testing.....	45
4) Postponement of Planned Outages by the ISO .....	45
<i>Schedule E</i> .....	47
Table 1 .....	47
Table 2 .....	48

## 1. TRANSMISSION TERMS AND CONDITION

These Transmission Terms and Conditions ("T&Cs") set forth the terms and conditions of service in accordance with Section 39 of the EUA upon which **NAME OF TFO** (hereinafter referred to as the "TFO") will provide Transmission Services to the Independent System Operator (hereinafter referred to as the "ISO"), appointed by the Lieutenant Governor in Council in accordance with section 7 of the EUA.

## 2. DEFINITIONS

In these T&Cs, including the recitals and Schedules, the following words and expressions have the following meanings:

"AEUB" – means the Alberta Energy and Utilities Board and any successor organization;

"Ancillary Services" – means ancillary services as defined in the EUA;

"Arbitration Act" – means the Arbitration Act, R.S.A. 2000 c. A-43, as amended from time to time, and include all related regulations;

"BES" – means the Bulk Electricity System as defined by the CEA in the BES Report;

"BES Report" - means the Bulk Electric System Delivery Point Interruptions and Significant Power Interruptions – 1998-2002 Report" or subsequent report;

"Business Day" – means a day which is not a Saturday, Sunday, or statutory holiday in the Province of Alberta and "day" means any calendar day;

"CEA" – means the Canadian Electricity Association and any successor organization;

"Contingency" – means the loss of one or more system elements under any operating condition or anticipated mode of operation;

"Control Area" – means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to the frequency regulation of the WECC region;

"EUA" – means the *Electric Utilities Act*, R.S.A., 2003, c. E-5.1 as amended from time to time, and all regulations passed thereunder;

"External Agency" – means the WECC, NERC, NWPP or other similar governmental or industry agency, whose role is to facilitate among governmental and industry participants, coordinated operations of the IES with interconnected electrical systems of other jurisdictions to ensure their respective and joint System Security and reliability;

"Emergency Operating Limit" – means the limits beyond the Normal Operating Limit established by the TFO from time to time, in accordance with Section 39 of the EUA, with respect to its Transmission Facility as the level, expressed in appropriate units of current, voltage and frequency, that its Transmission Facility and various elements thereof can support or withstand for a specified period during an emergency without a loss of equipment life that is unacceptable to the TFO or without exceeding any physical or safety limitations for the equipment involved;

"Facility Owner Interconnection Agreement" – means an agreement between the TFO and the owner of an Interconnecting Facility addressing aspects associated with the physical management of the interconnection including but not limited to provisions addressing ownership, indemnity, dispute resolution and the requirements for a JOP;

"Force Majeure" – has the meaning ascribed to "force majeure" in Section 8 hereof;

"Good Electric Operating Practice" – means, in respect of a party, the standard of practice attained by exercising that degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances. Good electric operating practice is not restricted to the optimum practice or course of action to the exclusion of all others but rather comprises the spectrum of reasonable practices, methods or acts applicable to the circumstances, and having regard to economic considerations;

"HEEA" – means the Hydro and Electric Energy Act, R.S.A, 2003, c. H-16 as amended from time to time and all regulations passed thereunder.

"IES" – means the "interconnected electric system" as defined in the EUA;

"Interconnecting Facility" – means a distribution, generation, transmission, industrial system facility or a facility owned by a Market Participant directly connected to the TFO's facilities, and operated by a party other than the TFO;

"ISO Members" – means the individuals appointed by the Minister as members of the Independent System Operator as per Section 8(1) of the EUA:

"ISO Rules" – means the rules made by the ISO pursuant to the EUA;

"Joint Operating Procedure" or "JOP" – means an operating agreement between parties with interconnected facilities establishing the procedures to be followed to ensure the safe, coordinated and reliable physical operation of the interconnected facilities as required by paragraph 18 (5) (b) of the HEEA;

"Market Participant" – means "market participant" as defined in the EUA;

"Metering Equipment" – means any current transformers, potential transformers, interconnecting wiring, meters and recorders or related equipment used by the TFO in connection with POD and POI revenue metering;

"NERC" – means the North American Electric Reliability Corporation or any successor organization;

"Normal Operating Limit" – means the limits established by the TFO from time to time, in accordance with Section 39 of the EUA, with respect to its Transmission Facility as the level of electrical loading, expressed in appropriate units of current, voltage, and frequency, that its Transmission Facility and various elements thereof can support or withstand through the daily demand cycles without abnormal loss of equipment life;

"NWPP" – means the North West Power Pool and any successor organization;

"Operating Policies" – means principles, standards, policies, guidelines and criteria (i) related to the TFO's Transmission Facility, developed by the TFO and applicable to the TFO, or the ISO; and, (ii) related to the Transmission System, developed by the ISO, including those policies shown in Schedule E, and applicable to the ISO, or TFO and other Transmission Facility owners; for fulfilling their respective duties, functions and responsibilities under the EUA;

"Operating Week" – means the period commencing 12:00 a.m. on a Sunday and ending 11:59 p.m. on the following Saturday;

"OPP" – means Operating Policies and Procedures established by the ISO, in accordance with Section 20 of the EUA, in relation to the operation of the Transmission System and as modified from time to time;

"Planned Outages" – has the meaning ascribed to that term in Schedule D hereof;

"Point Of Delivery", or "POD" – means the point at which electrical energy is transferred from the TFO's Transmission Facility to a distribution system and where the electric energy so transferred is measured;

"Point Of Interconnection", or "POI" – means the point at which electrical energy is transferred from the TFO's Transmission Facility to the transmission system of an adjacent jurisdiction and where the electric energy so transferred is measured;

"Post Contingency" – means the time period immediately following a Contingency event and lasting until such time as the system is restored within Normal Operating Limits;

"Procedures" – means detailed steps and responsibilities in relation to an Operating Policy describing how to execute the Operating Policy, as modified from time to time;

"Real Time Data" – means real-time power system telemetry, alarm, log, and status information provided by the TFO to the ISO and may include generator and interconnected load information in addition to TFO data;

"Reliability Standards" – means the reliability standards as defined in the Transmission Regulation AR 86/2007 as amended from time to time;

"Requested Information" - means

- (a) as applicable to the TFO, any information (including the information identified in the Schedules attached to these T&Cs) that is necessary for the ISO to discharge its duties and functions under the EUA and for compliance with External Agency reporting requirements, other than information that has been designated as confidential by the provider of such information to the ISO: and

- (b) as applicable to the ISO, any information in the ISO's possession (including the information identified in the Schedules attached to these T&Cs) that is necessary for the TFO to discharge its duties and functions under the EUA, other than information that has been designated as confidential by the provider of such information to the ISO;

"System Access Services" – means "system access services" as defined in the EUA;

"System Coordination Plan"– has the meaning ascribed to that term in Schedule A hereof;

"System Disturbance" – means an unplanned event which produces an abnormal IES condition such as high or low frequency, abnormal voltage or oscillations in the IES;

"System Security" – means the ability of the IES to withstand events such as electrical short circuits, unanticipated loss of IES components and switching operations without experiencing cascading IES events or uncontrolled loss of load;

"Transmission Facility" – means "transmission facility" as defined in the EUA;

"Transmission Reliability" or "Control Area Security" – means the ability of the Control Area to withstand events such as electrical short circuits, unanticipated loss of Control Area Transmission System components, unanticipated loss of Control Area generation and switching operations without experiencing cascading IES events or uncontrolled loss of load;

"Transmission Services" – means the services to be provided by the TFO required to transport electricity, and Real-Time Data by means of the TFO's Transmission Facility, in order for the ISO to fulfill its duties as

defined in the EUA, ISO Rules, OPP's, standards, Reliability Standards, business practices and interconnection processes established from time to time by the ISO, such that the ISO can fulfill its duties as defined in the EUA;

"Transmission System" – means "transmission system" as defined in the EUA;

"Type Fault" – means a Transmission Facility deficiency, design flaw or material defect that may occur on a repetitive basis or on more than one Transmission Facility;

"WECC" – means the Western Electricity Coordinating Council and any successor organization.

"WECC RMS" – means the WECC reliability management system.

### **3. PROVISION OF SERVICES**

#### **3.1 Provision of Transmission Services**

The TFO will provide and make available Transmission Services in accordance with these T&Cs.

- a) Transmission Services will be provided and made available within Normal Operating Limits and Emergency Operating Limits, as established by the TFO from time to time for its Transmission Facility.
- b) The TFO will provide the ISO with the Normal Operating Limits and Emergency Operating Limits for its Transmission Facility and will provide updates as limits change for transmission equipment that

operates at 69 kV or above, and periodically provide updates for equipment that operates below 69 kV. These limits, along with other relevant considerations, will be used by the ISO to develop OPPs in accordance with Section 20 of the EUA. The ISO will make these OPPs available to the TFO, who will, unless written notice of non-compliance with a specific OPP has been provided by the TFO in accordance with Section 39 of the EUA or Schedule C, and subject to clauses 3.1(f) and 3.1(g) below, implement these OPPs. Any such notice of non-compliance will include a detailed explanation for the TFO's non-compliance with the relevant OPP.

- c) The OPP will not require the operation of the TFO's Transmission Facility outside the current Normal Operating Limit under normal system operation, or outside the current Emergency Operating Limit during Post Contingency operations. In emergency conditions, the TFO's Transmission Facility will be available for use between the Normal Operating Limit and Emergency Operating Limits in order to maintain System Security.
- d) During Post Contingency conditions, the TFO and ISO will return the TFO's Transmission Facility loading to within the Normal Operating Limit as soon as reasonably practicable. Subject to clause 3.1 e) below, if extended operation between the Normal Operating Limit and the Emergency Operating Limit is necessary to maintain System Security, the TFO will make facility emergency overload capacity within those limits available upon receipt of a real time request from the ISO. Notwithstanding anything in these T&Cs, the TFO has no obligation to operate its Transmission Facility above the then current Normal Operating Limit, or, during Post Contingency conditions, above the loading or duration limits

specified by the then current Emergency Operating Limit of its Transmission Facility unless it agrees to do so.

- e) Notwithstanding any other provision of these T&Cs, the TFO may, without liability of any kind to the ISO, interrupt or curtail the provision of Transmission Services:
- (i) if the TFO, acting reasonably, determines that public safety, personnel safety or the physical integrity of its Transmission Facility or any Interconnecting Facility is at risk, including conditions of forced outage to protect the TFO's Transmission Facility; or
  - (ii) if the TFO, acting reasonably, determines that such interruption or curtailment is required at that specific time in order to maintain compliance with orders, permits, licenses, approvals, consents or governmental or regulatory authorizations or applicable laws; or
  - (iii) if the TFO, acting reasonably, determines that such interruption or curtailment is required in order to address an emergency and adhere to Good Electric Operating Practice, and in making such determination the TFO shall have regard for the impact of the interruption or curtailment on System Security.

In exercising its rights pursuant to this clause 3.1(e) the TFO will, to the extent practicable, coordinate interruptions or curtailments of the provision of Transmission Services with the ISO, and any impacted Interconnecting Facility owner, so as to minimize the risk and impacts to System Security and the ISO's System Access Service customers.

- f) Notwithstanding any other provision of these T&Cs, the TFO may, without liability of any kind to the ISO, refuse to interrupt or curtail the provision of Transmission Services in accordance with Section 39 of the EUA.
  
- g) The TFO may, without liability of any kind to the ISO, interrupt or curtail the provision of Transmission Services:
  - (i) to carry out construction, installation, commissioning, improvements, alterations, repairs, testing, or replacements of the TFO's Transmission Facility; or
  - (ii) where necessary for the retirement of a Transmission Facility, as approved by the AEUB; or
  - (iii) for the purpose of coordinating physical operations of the TFO's Transmission Facility with the operations of an Interconnecting Facility; or
  - (iv) to carry out planned work or maintenance, testing or inspection for which notice has been given in accordance with Schedule D; or
  - (v) where such interruption or curtailment is required in order to adhere to Good Electric Operating Practice; or
  - (vi) as may be specified in the OPP or any other Operating Policy developed by the ISO.

All of which is subject to: the TFO complying with its notice obligations as detailed in Schedules B and D; the TFO using reasonable efforts to coordinate interruptions or curtailments of the

provision of Transmission Services with the ISO and any impacted Interconnecting Facility owner so as to minimize the impact on the ISO's System Access Service customers to the extent reasonably practicable; and, to the ISO, confirming in accordance with Schedule D that interruption or curtailment of the TFO's Transmission Services will not adversely affect System Security.

- h) The TFO will take reasonable precautions through its maintenance practices, consistent with Good Electric Operating Practice, to guard against unscheduled interruptions or curtailment in Transmission Services due to facility failure. The TFO will make reasonable efforts, consistent with Good Electric Operating Practice to minimize the duration of unplanned facility outages. The TFO will give a high priority to the restoration of load, or to the restoration of major transmission elements. The TFO will notify the ISO of outages on the Transmission Facility, as soon as reasonably practicable, as required for the ISO to fulfill its duty. As well, the TFO will notify any impacted Interconnecting Facility owner of the service interruptions or curtailments, as soon as reasonably practicable.
- i) Planned maintenance will be conducted by the TFO according to its maintenance standards. Planned Outage information will be provided to the ISO in accordance with Schedule D. The TFO will make reasonable efforts to minimize the duration of Planned Outages consistent with Good Electric Operating Practice.
- j) The ISO and the TFO will co-operate in resolving power quality problems detected on the TFO's Transmission Facility.

### **3.2 Provision of Additional Services**

The ISO may request the TFO to provide services or incur additional costs not included in these T&Cs. Those services and the cost for those services will be provided on mutual agreement between the ISO and the TFO. Payment for those services will be in accordance with the terms in Section 4.

### **3.3 Collaborative Process**

The TFO and the ISO agree to work in a collaborative manner to develop ISO Rules, OPP's, standards, business practices and interconnection processes and other documents in order to facilitate the provision of Transmission Services in accordance with these T&Cs.

## **4. PAYMENT TERMS**

On or before the 10th Business Day of each month the TFO will invoice the ISO for Transmission Services provided by the TFO in the month preceding an amount equal to one twelfth of the TFO's annual revenue requirement, as approved by the AEUB. The ISO shall pay to the TFO on or before the 20th Business Day of each month, the amount invoiced by the TFO for the preceding month. Amounts payable hereunder by the ISO may be netted against undisputed amounts payable to the ISO by the TFO, provided that all amounts so netted are itemized on an invoice accompanying the payment. Netting shall only occur within a single legal entity.

Late payments of any kind by the ISO shall be subject to a late payment charge of 18% per annum calculated monthly for each month or part thereof for which such payment is late.

Should the AEUB approve or order a change to the TFO's revenue requirement after the approval of these T&Cs, the TFO will revise its invoices to the ISO to reflect such approved changes and the ISO agrees to pay such amounts which will be reflected in the next billing cycle (i.e. production month).

The ISO's obligation to pay the TFO in accordance with this provision continues notwithstanding any interruption or curtailment of the TFO's Transmission Service for any reason whatsoever, including an event of Force Majeure.

The payment for additional services provided pursuant to clause 3.2, above, not specifically covered by the TFO's annual revenue requirement shall be by mutual agreement between the ISO and the TFO. Any payments due to the TFO for these services will be billed by way of written invoice and become due thirty (30) days following the date of such invoice.

## **5. PROVISION OF INFORMATION**

The following provisions apply to all information to be exchanged between the TFO and the ISO, including information specifically identified in the Schedules attached to these T&Cs:

- a) Each of the TFO and the ISO (a "Requesting Party") can request the other party (the "Providing Party") to provide Requested Information.
- b) If the Requested Information is readily available, the Providing Party will provide the Requested Information to the Requesting Party as soon as reasonably practicable. If the Requested Information is not readily available or is not in a format required by the Requesting Party, the Requesting Party and Providing Party will

agree on a schedule and format for the provision of the Requested Information. If circumstances arise that would delay the provision of such information, the Providing Party shall notify the Requesting Party of the revised timeframe in which it is expected that the information will be available.

- c) If the Requesting Party requests that the Requested information be provided by the Providing Party on an accelerated schedule or in a format that is substantially different from that which is available to or required by the Providing Party, the Providing Party will provide the Requested Information provided that the Requesting Party pays for any incremental expense incurred by the Providing Party to develop, collect or convert the Requested Information. Such costs will be agreed upon by the Requesting Party and the Providing Party before the Providing Party proceeds with development, obtaining, collection or conversion of the Requested Information.
- d) The Requested Information provided by the Providing Party to the Requesting Party will be as complete as is available to the Providing Party. The Providing Party will endeavor to provide Requested Information at a level of completeness and accuracy no less than it would provide for its own internal use. However, the Providing Party makes no guarantees, express or implied, with respect to the completeness and / or accuracy of information provided.
- e) At the time any Requested Information is provided, the Providing Party may request that the data be kept confidential for commercial or competitive reasons. The confidentiality provisions shall not be unreasonably used.

The Providing Party shall not be entitled to use the confidentiality provisions in respect of Requested Information that:

- (i) is generally available to the Alberta electric industry or the public at the time of disclosure; or
- (ii) subsequent to receipt by the Requesting Party becomes generally available to the electrical industry or the public as a result of a disclosure of the Providing Party or its representatives; or
- (iii) the Requesting Party can establish, by reasonable evidence, was available to the Requesting Party on a non-confidential basis prior to its disclosure to the Requesting Party; or
- (iv) subsequent to receipt by the Requesting Party, the Requesting Party can establish, by reasonable evidence, that the Requested Information is available to the Requesting Party on a non-confidential basis from a source other than the Providing Party or its representatives (the Requesting Party not having provided the Requested Information to the other source), without breach of these T&Cs; or
- (v) have been disclosed by law to a government authority where there is no reasonable alternative to such disclosure and the government authority determines that such information must be made public; or
- (vi) must by law be disclosed to other participants in the Alberta electric industry (including without limitation parties interconnected to the IES).

- f) Notwithstanding sections 5 a) to 5 d), if Requested Information includes information which the TFO is under a legal obligation to a third party to maintain confidential (in this paragraph “Confidential Information”), the TFO shall so advise the ISO. Subject to any legislation, regulation, court order or order of a regulatory authority requiring such disclosure, the TFO shall not be required to disclose the Confidential Information until the consent of the third party is obtained and the TFO shall use reasonable efforts to obtain the consent. To the extent the TFO is aware that information is of the type reasonably likely to be Requested Information, the TFO shall use reasonable efforts to ensure that it does not enter into legal obligations with third parties which would prevent the disclosure of such information.
- g) If the parties cannot agree to the provision of information or the need for confidentiality under this Section 5, the dispute shall be resolved in accordance with Section 9 of these T&Cs.

## **6. PROVISION OF METERING SERVICES**

The TFO shall provide POD and POI metering services, either directly or through appropriate contractual arrangements with other suppliers of metering services, to the ISO upon and subject to the terms and conditions set out in these T&Cs. The TFO will procure, operate and maintain the systems required to collect, validate, correct, estimate, calculate and deliver measurement data to the ISO in accordance with the AESO’s Measurement System Standard and the Settlement System Code as these are defined on the AESO website.

The TFO will use reasonable efforts to maintain appropriate records of all Metering Equipment for which dispensation has been received by Measurement Canada and will provide details relating to specified

Metering Equipment and dispensation to the ISO on request. The ISO will maintain appropriate records of Measurement Canada Meter Equipment dispensation and will provide details of any such dispensation to the TFO on request.

## **7. INDEMNITY AND CONSEQUENTIAL LOSS**

### **7.1 Indemnity**

- (a) Each party (as applicable, the “Indemnitor”) will indemnify and hold harmless the other party and its directors, or ISO Members, officers, employees, agents and representatives (“Indemnitee(s)”) from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claims, cause of action, action, suit or proceeding by a third party (“Claim”) which arises from damage to property or injury to or death of persons resulting from the Indemnitor’s failure to perform its obligations under these T&Cs which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, ISO Members, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Section 7.1(a) will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Section 7.1(a) “willful act” means any act or omission which is an intentional tort or an intentional breach of any obligations under these T&Cs.
  
- b) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Section 7.1

such Indemnitee will give the Indemnitor prompt notice of the Claim, which shall describe the Claim in reasonable detail and shall indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.

- c) Subject to Section 7.1(d) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Section 7.1(a) in respect of:
- (i) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 Days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor shall be entitled, at its option, to take carriage of the defence of the Claim by its own counsel and, if it elects to do so, the Indemnitee shall cooperate with the Indemnitor to the fullest reasonable extent in the defence, settlement or compromise of the Claim; or

- (ii) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 Days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee shall not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent shall not be unreasonably withheld.

- d) The provisions of Section 7.1(c) hereof shall not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defences in relation to the Claim that conflict with legal defences being asserted by the Indemnitor.
- e) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Section 7) by the express terms of Section 7, neither party, nor its directors, ISO Members, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses,

injuries, losses, or liabilities suffered or incurred by the other party, its directors, ISO Members, officers, employees, agents and representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, ISO Members, officers, agents, employees and representatives hereby forever release the other party, its directors, ISO Members, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party shall be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these T&Cs.

## **7.2 Consequential Loss**

Notwithstanding anything to the contrary contained in these T&Cs, neither party will be liable to the other party for any damage, cost, expense, injury loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these T&Cs or for any other reason (including without limitation, negligence or willful misconduct on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature shall include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any facilities or property owned, operated, leased or used by the other party.

## **8. FORCE MAJEURE**

### **8.1 Definition**

The term "Force Majeure", as employed, herein and for all purposes relating hereto, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, acts of the Queen's enemies, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, explosions, fires, civil disturbance, mechanical breakdowns; intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court; and any other causes whether of the kind herein enumerated or otherwise, not within the reasonable control of the party claiming relief and which by the exercise of reasonable diligence and at a reasonable cost such party is unable to prevent or overcome.

### **8.2 Force Majeure Relief**

The TFO or ISO, as the case may be, is relieved of its obligations hereunder, and shall not be liable for any failure to perform any term of these T&Cs to the extent that and when such failure is due to, or is a consequence of, any event of Force Majeure

### **8.3 Exclusions**

Notwithstanding Section 8.2, lack of funds, including any lack of funds resulting from a decision, direction or order made by the AEUB in the normal course of it exercising its authority to establish the appropriate revenue requirement of the TFO, shall not be an event of Force Majeure.

### **8.4 Notice**

The party claiming relief from liability under the provisions of Section 8.1 shall promptly give the other party notice of the Force Majeure including

full particulars thereof and shall promptly give the other party notice when the Force Majeure ceases to prevent performance of the applicable term of these T&Cs.

### **8.5 Obligation to Remedy**

The party claiming relief from liability under the provisions of Section 8.1 shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

### **8.6 Strikes and Lockouts**

Notwithstanding any other provision of these T&Cs the settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of the party claiming relief from liability and such party may settle such strike, lockout or industrial disturbance at such time and on such terms and conditions as it may deem appropriate and no failure or delay in settling such strike, lockout or industrial disturbance shall constitute a cause or event within the control of such party or deprive such party of the benefits of this Section 8.

## **9. DISPUTE RESOLUTION**

With the exception of the OPPs as set out in Schedule E of these T&Cs, matters which the ISO rules mandate be subject to the mediation and dispute resolution provisions of the ISO Rules shall be settled in accordance with the mediation and dispute resolution rules and processes under the ISO Rules.

The parties further agree that any other matter or dispute that arises with respect to these T&Cs, including the OPPs set out in Schedule E of these T&Cs, shall be dealt with as follows:

A dispute that arises with respect to these T&Cs between the TFO and ISO shall be referred to senior officers of the TFO and ISO upon either the TFO or ISO requesting such a reference in writing.

Where the TFO or ISO has requested the reference of a dispute to senior officers, the officers shall employ such methods of resolution as they may agree to and shall make all reasonable efforts to resolve the dispute in a timely manner.

Where a dispute which has been referred to senior officers and has not been resolved within twenty (20) Business Days of the reference, such dispute may be referred by either the TFO or ISO to be resolved through arbitration conducted by a single arbitrator conducted in accordance with the *Arbitration Act*. The arbitrator shall be a person qualified by education and experience to resolve the dispute. If the TFO and the ISO are unable to agree on the person to be appointed as arbitrator within ten (10) Business Days of the reference, either the TFO or the ISO may apply to the Court of Queen's Bench of Alberta to appoint the arbitrator. Save as otherwise expressly provided in these T&Cs, the provisions of the *Arbitration Act*, as amended from time to time, shall apply to any arbitration undertaken under these T&Cs. Pending resolution of any dispute, the TFO and ISO shall continue to perform their respective obligations under these T&Cs.

The TFO shall advise the AEUB of any dispute referred to arbitration under this Section 9, not later than 30 days after such referral is made. The TFO shall, when advising the AEUB of such referral to arbitration, also provide the AEUB with a list of parties the TFO believes may be potentially affected by the arbitrator's decision. The TFO shall advise the AEUB of the results of the arbitration not later than 30 days after the arbitrator's decision is issued.

The TFO and ISO acknowledge that any party adversely and unduly affected by interpretation or application of these T&Cs, whether resulting from negotiation, compromise or arbitration, is entitled to request a clarification or change to the relevant portion(s) of the T&Cs from the AEUB.

Notwithstanding anything to the contrary contained herein, in the event that:

- a) the ISO reasonably believes that the delay that may be encountered in resolving any dispute in accordance with the provisions set forth above in this Section 9 may pose a real and imminent threat to System Security; or
- b) either party reasonably believes that the delay that may be encountered in resolving any dispute in accordance with the provisions set forth above in this Section 9 may result in such party suffering irreparable harm or significant injury,

then such party may, at any time following submission by either party of any dispute to the senior officer of each party in accordance with this Section, apply to the AEUB for an order in respect of such dispute and any such order granted by the AEUB shall be binding on the parties.

All information disclosed for the purposes of dispute resolution pursuant to this Section 9 shall be treated as privileged, confidential and without prejudice.

## **10. INTERCONNECTIONS AND EXPANSIONS**

The ISO shall provide to the TFO information regarding any proposed interconnection to the TFO Transmission Facility in accordance with the ISO Rules and processes.

### **10.1 Interconnections with Electrical Systems Bordering the IES**

The TFO shall provide Transmission Services to the ISO for the provision of interconnections bordering the Transmission System.

The ISO may establish operating and commercial agreements governing the exchange of electric energy and Ancillary Services between the IES and the systems of neighboring jurisdictions. The TFO shall, consistent with Good Electric Operating Practice and the applicable provisions of these T&Cs and OPPs, except those OPPs in respect of which the TFO has given the ISO notice of non-compliance in accordance with Schedule C, cooperate with the ISO and other Transmission Facility owners for the purpose of assisting the ISO in its responsibilities and obligations under such agreements to ensure the reliable and economic operation of interconnections between the Transmission System and the electric systems of neighboring jurisdictions.

The TFO will work with the owner of the Interconnecting Facility to develop a Facility Owner Interconnection Agreement and a JOP.

The TFO will not include in the Facility Owner Interconnection Agreement or JOP any provisions with respect to the exchange of electric energy or Ancillary Services, except to the extent it may be necessary to do so to comply with the requirements of the HEEA.

## **10.2 Interconnections with Electric Systems Within the IES**

The TFO shall provide Transmission Services to the ISO for the provision of an interconnection from its Transmission Facility to the Interconnecting Facility, subject to AEUB approval, as required.

The TFO will work with the owner of the Interconnecting Facility to develop a Facility Owner Interconnection Agreement and JOP.

When required, the TFO shall, consistent with Good Electric Operating Practice and the applicable provisions of these T&Cs and OPPs, except those OPPs in respect of which the TFO has given the ISO notice of non-compliance in accordance with Schedule C, provide an interconnection from its Transmission Facility to the Interconnecting Facility of another owner within the IES.

The TFO will not include in the Facility Owner Interconnection Agreement or JOP any provisions with respect to the exchange of electric energy or Ancillary Services, except to the extent it may be necessary to do so to comply with the requirements of the HEEA.

## **10.3 Expansions of the Transmission System**

The TFO shall provide Transmission Services to the ISO for the provision of Transmission System expansions resulting from ISO planning initiatives and/or Interconnection Facility connections or expansions, subject to AEUB approval, as required.

# **11. COMPLIANCE WITH EXTERNAL AGENCY REQUIREMENTS**

- a) In order to carry out its duties and functions under the EUA, the ISO may be required to enter into agreements with one or more

External Agencies that may, among other things, require the ISO to comply with reliability standards requirements imposed by such External Agency on interconnecting transmission facilities and may subject the ISO to direct or indirect financial penalties established by such External Agency from time to time for non-compliance.

- b) Upon and subject to any such External Agency agreements being approved by the AEUB, and subject to Sections 3.1(f), (g) and 11(c), the TFO will comply with the External Agency's reliability standards requirements, to the extent the ISO is required under the External Agency agreements to comply with such reliability standards requirements, as they are applicable to the TFO's Transmission Facility.
- c) If the TFO would be required to incur costs to comply with External Agency reliability standards requirements, from time to time, that are not included in its revenue requirements approved by the AEUB to be recovered under these T&Cs, the ISO will support a change to the TFO's revenue requirement as necessary to enable the TFO to recover such costs under these T&Cs, and upon such change to the TFO's revenue requirement being approved the TFO will then comply with such External Agency reliability standards requirements.
- d) Promptly after the approval of the External Agency agreements by the AEUB, the ISO will provide to the TFO copies of the approved External Agency agreements and advise the TFO as to the reliability standards requirements that the TFO is required to comply with under Section 11(b). The ISO will promptly advise the TFO of any changes to such reliability standards requirements.

- e) Except when incurred by the ISO in consequence of an event which constitutes Force Majeure hereunder, the TFO will reimburse the ISO for any financial penalties for non-compliance with External Agency reliability standards requirements stipulated in the External Agency agreement that the ISO may be required to pay, to the extent that such non-compliance is established to have resulted in whole or in part directly from a failure of the TFO to perform its obligations under Section 11(b). The ISO will use reasonable efforts to mitigate any such penalty imposed by an External Agency. The ISO will promptly advise the TFO of any financial penalty that may be threatened or imposed on it for which it may seek reimbursement from the TFO and of the existence of any circumstance or condition of which it becomes aware that may result in a financial penalty for which it may seek reimbursement from the TFO. Without prejudice to its right to reimbursement, the ISO will take all reasonable steps to allow the TFO an opportunity to remedy any condition or circumstance that may result in, and will allow the TFO to participate in any discussion or resolution of any dispute with the External Agency in relation to, any financial penalty for which the ISO may seek reimbursement from the TFO.

## **12. MAINTENANCE OF RECORDS**

Other than Real Time Data, which shall be maintained for a minimum of six months from the date of its creation, the TFO and ISO will maintain accurate records for a period of six (6) years relating to the matters associated with these T&Cs in such a manner that any data required to verify any information provided by either party will be available to the other party when necessary.

The ISO shall maintain technical information exchanged between the TFO and ISO in accordance with Schedule A. The ISO and TFO will each independently maintain information relating to billing metering, commercial arrangements and financial transactions.

The TFO and ISO shall each have the right, at its own cost, to request verification of information or data provided to it under these T&Cs (other than Real Time Data) for a period of six (6) years following the date upon which such information or data is provided to it. The TFO and ISO shall each have the right, at its own cost, to request verification of Real Time Data for a period of six (6) months following the date upon which such information or data was created.

### **13. NOTIFICATIONS**

All notices and other communications given under these T&Cs, other than notices and communications for which a contact person has been designated under a Schedule, shall be in writing and shall be given by personal service, telefax or by registered letter addressed to:

**Transmission Facility Owner:** Name of TFO  
Address of TFO  
Attention: TFO Officer  
Fax: TFO Fax No.

**Independent System Operator:** Alberta Electric System Operator  
2500, 330-5th Avenue S. W.  
Calgary, Alberta T2P 0L4  
Attention: Vice President,  
Operations and Reliability  
Fax: 403-539-2450

**14. SEVERABILITY**

If any provision of these T&Cs is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

**15. ENFORCEABILITY**

These T&Cs shall remain in full force and effect from the date of its approval by the AEUB pursuant to Section 124 of the EUA until subsequent T&Cs are approved by the AEUB pursuant to Section 124 of the EUA.

**16. GENERAL**

The performance by the TFO of each of its obligations hereunder is subject to the TFO obtaining, and complying with, all governmental orders, permits, approvals, consents and other authorizations (the "authorizations") required by law for the satisfaction of such obligation. The TFO will use reasonable efforts to obtain, maintain or renew, as expeditiously as possible, all required authorizations; and will promptly advise the ISO as soon as it becomes aware that its performance hereunder may be adversely affected by a failure or delay in obtaining, maintaining or renewing any such authorization.

No waiver of any breach of any term or provision of these T&Cs will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

The division of these T&Cs into Sections and the insertion of headings are for convenience only and will not affect the construction or interpretation of these T&Cs.

**17. AMENDMENTS TO THE SCHEDULES**

- a) Subject to Section 17(b), the Schedules to these T&Cs may be amended from time to time, as is necessary to permit the TFO or the ISO to discharge their respective duties and function under the EUA, and the regulations made thereunder.

Where the TFO and ISO agree on any amendment to the Schedules to these T&Cs, the Schedule in question shall be amended as of the date of the agreement to amend and a new Schedule shall be substituted for the existing Schedule, without need for amendment to these T&Cs.

- b) Either the TFO or the ISO may from time to time, by notice to the other party, request that a Schedule to these T&Cs be amended. Such notice shall describe the proposed amendment and reason that the proposed amendment is necessary. If the parties are unable to agree that the proposed amendment is necessary in accordance with Section 17(a) within fifteen (15) Business Days after such notice is given, the dispute shall be resolved in accordance with the dispute resolution process in Section 9.

**SCHEDULE A. INFORMATION AND DATA**

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary and secondary contact person. Such person(s) may be changed from time to time by providing written notice to the other party.

**1) Information Required by the Independent System Operator and Other Transmission Facility Owners**

The TFO will use all reasonable efforts to provide the following Transmission Facility information to the ISO in accordance with Section 5 of these T&Cs and the ISO may treat any such information as public information unless it is designated as confidential by the TFO at the time the information is provided. The information requirements are as follows:

**a) Electrical Parameters for Transmission Elements**

Sufficient technical information about the TFO's Transmission Facility to permit an appropriate, current and accurate electrical model of the IES to be developed for the current year as identified by the Transmission Data Committee and in accordance with OPP 003.1 and 003.4.

**b) Metering Equipment Information**

Metering information will be provided as identified in Section 6 of these T&Cs.

**c) Facility Performance and Reliability Information****i) Provide annually a current year plus 5 year summary of:**

- (1) Transmission Facility outage statistics, for all transmission line, transformer, circuit breakers, Static Var Compensators, DC Convertors, Capacitors, and Reactors by voltage class and equipment type, including cause if known; and

- (2) POD reliability statistics for each POD served by voltage class and supply type, as contained in the BES Report, Transmission Performance Indices. POD reliability statistics reporting will be based on the CEA reporting conventions and definitions as defined and outlined in the BES Report.

This information for each year will be provided not later than March 31<sup>st</sup> of the following year.

- ii) The TFO will advise the ISO through preliminary notice and final engineering reports regarding Type Faults that occur on its Transmission Facility that create a significant risk to the TFO's Transmission Facility.

d) Outage Reports

A report summarizing the transmission forced outages that occurred in the previous month will be provided to the ISO and will include, but may not be limited to: the element affected, the date of the outage, a brief summary of the event, the cause if known, the amount of load interrupted if known, the duration of the outage and any additional comments. Additional information will be provided to the ISO upon request in accordance with Section 5 of these T&C's. In addition to the above, major disturbances will be reported to the ISO in accordance with Schedule B (1) (b) of these T&C's.

e) TFO Operating Policies and Procedures

TFO's relevant Operating Policies, Procedures, bulletins and/or other information relating to safe, secure and reliable utilization of the TFO's Transmission Facility.

## f) Ratings

TFO specified normal and emergency facility voltage, current and frequency operating limits including identification of limiting factor(s) for each transformer, transmission path and bus.

## g) Outage Schedules

Transmission Facility outage schedules will be provided to and coordinated with the AESO in accordance with OPP-601.

## h) Real Time System Status and Electrical Quantities

Real time TFO Transmission Facility information as is required by the ISO and other TFO's will be provided to the ISO to the extent available and necessary to fulfill each party's respective duties and functions under the EUA and shall include transmission and generation facility status, loading and operating voltage. The TFO will provide to the ISO, upon request, any archived Real Time Data required to verify system models and assess system dynamic performance, provided the data requested is still maintained by the TFO. The TFO is not obligated to provide Real Time Data that is more than six months past the date it was created. Real Time System Status and Electrical Quantities will be provided as identified in OPP-003.1 and the SCADA Standard.

## i) Reporting to an External Agency by the ISO

Periodically, the ISO may be required to provide Requested Information to an External Agency to permit the ISO to discharge its responsibilities to such External Agency. The ISO may request, and the TFO shall provide information where available to the ISO in accordance with the provisions of Section 5.

j) Electromagnetic Transients and Power Quality Study Requirements

The ISO may require additional power system information from the TFO in order to carry out, or require an interconnecting party to carry out, an electromagnetic transients or Power Quality study. This requirement will be situational and related to new facilities being interconnected with the TFO's facilities. The ISO will request such information on a case by case basis and / or request the TFO to provide the necessary information directly to a party proposing to interconnect with the TFO's facility.

**2) Information Required by the Transmission Facility Owner**

Except with respect to information designated as confidential by the provider of such information, the ISO will provide information to the TFO about the Transmission System corresponding to the information required to be provided by the TFO about its Transmission Facility under Part 1 of this Schedule A, and in addition the ISO will provide to the TFO, Transmission System information as follows:

a) System Model

All necessary Transmission System, facility and load information of sufficient quantity and quality to maintain an appropriate and accurate electrical model of the IES for the current year and five (5) following years provided that information is not confidential.

b) ISO Operating Policies and Procedures

ISO Operating Policies, Procedures, standards, bulletins and/or other information relating to operation and planning of the IES.

c) System Coordination Plan

The "System Coordination Plan" is a schedule that incorporates all Planned Outages the ISO has been advised of, and which are scheduled to take place in the following Operating Week, and which the ISO has determined to pose an acceptable level of risk to System Security from an operational planning perspective. The ISO shall provide the TFO with a System Coordination Plan in accordance with OPP-601.

The System Coordination Plan will contain the following information, as applicable:

- IES Transmission Facility and inter-provincial tie line Planned Outages;
- IES Transmission Facility and inter-provincial tie live line work;
- IES Transmission, Generation or Distribution new facility energization and commissioning to the extent that such commissioning is reasonably anticipated to have a significant impact on the TFO's Transmission Facilities;
- IES generator, power system stabilizer or automatic voltage regulator outages;
- IES generator testing to the extent that such testing is reasonably anticipated to have a significant impact on the TFO's Transmission Facilities.

d) Annual and Month Ahead IES Outage Plans and Schedules

- ISO annual plans and month ahead schedules for IES transmission and generation Planned Outages to the extent that the ISO has been advised of such schedules.

## e) Major System Disturbance Reports

- Major system disturbance reports, issued by the ISO for reporting of widespread IES disturbances which impact the Control Area as a whole, or disturbances which are not contained within a single TFO's network of facilities, documenting event analysis and reporting IES performance and response.

## f) Real Time Data

- As a condition of interconnection the ISO will require any third party interconnecting with the TFO's facilities to provide such Real Time Data to the TFO as is reasonably required for the TFO to fulfill its obligations.

## g) IES Reports

- IES planning, reliability, performance or other reports developed by the ISO pertaining to the overall condition and performance of the IES.

## h) WECC Reports

- Reports provided to the WECC by the ISO regarding IES performance or compliance with WECC RMS or other successor reliability management criteria or process, unless provision of such reports violates confidentiality obligations of the ISO.

**SCHEDULE B. NOTIFICATIONS**

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary and secondary contact person. Such designated person(s) may be changed from time to time by providing written notice to the other party. All notifications outlined below shall follow the provisions described in the applicable Operating Policy to be developed by the ISO or the TFO, as the case may be.

**1) Notification Provided to the ISO****a) Unavailability and Availability**

When the Transmission Facility of the TFO becomes unavailable due to unforeseen circumstances, the TFO shall provide the ISO, as reasonably required by the ISO to fulfill its duties and functions under the EUA and the regulations made thereunder, with verbal notification of such unavailability and shall provide the ISO a written notification as soon as reasonably practical following the unavailability event if the outage is expected to last more than one day. Notifications of unavailability shall include a brief description of the event causing the unavailability, the Transmission Facility, including PODs, affected, the time the unavailability event took place and an estimate of the duration of the unavailability and a summary of the remedial action to be taken by the TFO. Upon restoration of the unavailable Transmission Facility, the TFO shall provide the ISO with verbal notification of availability, as required to fulfill its function, and shall provide ISO a written notification of availability as soon as reasonably practical following restoration.

**b) Major Disturbance Reports**

Identification and reporting of major system disturbances to the ISO will be undertaken in accordance with OPP-1304.

c) Changes to TFO's Transmission Facility

The TFO shall make reasonable efforts to provide the ISO a minimum of three (3) months notification of a planned facility modification that alters its Transmission Facility capacity by more than 10%, or that requires an AEUB notification, or has a forecast cost of more than \$250,000 CAD. Such change notifications shall include a brief description of the facilities affected, the change schedule, underlying rationale for the change, and supporting technical detail as may be necessary for an ISO assessment of the impact of the change on the Transmission System.

d) Changes to TFO's Transmission Standards

The TFO shall make reasonable efforts to notify the ISO of changes to its transmission standards as they occur.

## 2) Notification Provided to the TFO

### a) Changes Affecting TFO Facilities

Refer to section 10. For greater clarity, the ISO will provide notification as per relevant ISO Rules, interconnection processes and business practices.

### b) New Interconnections

Refer to section 10. For greater clarity, the ISO will provide notification as per relevant ISO Rules, interconnection processes and business practices

### c) Short Term Capacity Confirmation

The ISO will advise the TFO, as soon as reasonably practicable, when temporary or opportunity service has been requested at a POD. The ISO will confirm the physical availability of transmission facilities at the POD with the TFO and notify the TFO with respect to the timing, duration and increased loading level that has been approved for the POD.

**SCHEDULE C. OPERATING AND PLANNING PRACTICES**

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary or secondary contact person. Such person(s) may be changed from time to time by providing written notice to the other party.

**1) ISO Operating Policies and Procedures**

The ISO shall, prior to implementing any OPP relating to operation of the IES, or revision to same, consult with the appropriate Operations Committee members and permit committee members to examine and provide recommendations on the proposed OPP or revision. The ISO will issue a first draft of the proposed OPP, or revision to same, and the TFO's will submit written recommendations to the ISO as agreed to in OPP-002. The ISO will review and consider all recommendations received; however, the ISO is not obligated to incorporate recommendations provided. The ISO will promptly inform the TFO's in writing if recommendations are not accepted and why they are not accepted. If required the ISO will develop and issue a second draft of the proposed OPP, or revision to same, and the TFO's will submit written recommendations to the ISO as agreed to in OPP-002. The ISO will review and consider all recommendations received; however, the ISO is not obligated to incorporate recommendations provided. The ISO will promptly inform the TFO's in writing if recommendations are not accepted and why they are not accepted.

Once a final version of the OPP is issued by the ISO, each TFO will confirm to the ISO in writing within the timeframe in OPP-002 whether the TFO will comply with the OPP or not. If the TFO will not, or is unable to comply with the OPP, the TFO will explain the reasons, including those identified in Section 3.1(f), for non-compliance, specifying why the TFO, acting reasonably, has determined that compliance with the OPP would place at risk public safety, personnel safety or the physical integrity of its Transmission Facility or any Transmission Facility or electric system of a

neighbouring jurisdiction to which the TFO's Transmission Facility is interconnected, impair the ability of the TFO to comply with orders, permits, licences, approvals, consents or other governmental or regulatory authorization or applicable laws, impair the ability of the TFO to comply with directions of the ISO or be inconsistent with Good Electric Operating Practice or the provisions of the OPP are inconsistent with the provisions of these T&Cs. Notwithstanding any other provision of these T&Cs or the Schedules thereto, the TFO shall have no obligation to comply with any ISO OPP unless the TFO has confirmed that it will do so.

In the event of non-compliance by a TFO with an ISO OPP that the TFO has confirmed it will comply with, or an alleged breach of these T&Cs by the TFO, the ISO may request and the TFO shall provide a written explanation to the ISO. Such written explanation shall be provided within one month of receipt of the request for an explanation. The ISO also reserves the right to conduct an operational audit of the non-compliance or alleged breach at its own expense. The TFO will cooperate with the ISO in any such audit.

In exceptional circumstances, the ISO may need to issue an OPP requiring a quicker response from the TFO than outlined above. The TFO will respond to such a circumstance as quickly as reasonably possible.

Disputes over ISO OPP will be resolved through the dispute resolution process in Section 9 of these T&Cs.

## **2) TFO Operating Policies and Procedures**

The TFO will develop Operating Policies and Procedures as necessary to fulfill its duties and functions under the EUA, as well as required to comply with the OPPs which have been agreed to by the TFO. In keeping with these T&Cs, copies of relevant TFO Operating Policies relating to safe, secure and reliable utilization of the TFO's Transmission Facility and any amendments thereto shall be provided to the ISO in a timely manner.

**3) ISO Committees**

The TFO shall support the ISO in maintaining the ISO operations coordination committee. The ISO shall, from time to time, consult with committee members in connection with the performance of its duties and functions under the EUA.

**4) Interconnection of New Facilities**

Refer to section 10 of these T&Cs.

**SCHEDULE D. OUTAGE COORDINATION**

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary and secondary contact person. Such person(s) may be changed from time to time by providing written notice to the other party

**1) Planned Outages**

From time to time the TFO must remove its Transmission Facility from service for the purpose of scheduled work, commissioning or maintenance (a "Planned Outage"). The TFO will provide the ISO with notice of same in accordance with OPP-601. The TFO will not interrupt or curtail Transmission Services to carry out such maintenance or work until the ISO confirms that to do so will not adversely affect System Security, except where the TFO is entitled to do so under Section 3.1. Where System Access Services must be reduced or interrupted to accommodate scheduled work or maintenance, the TFO shall use reasonable efforts to coordinate its scheduled work or maintenance with the ISO and any impacted Interconnecting Facility owner, so as to minimize the risk and impacts to ISO's System Access Service customers to the extent reasonably practicable.

**2) Changes to the System Coordination Plan**

As to any unplanned work or maintenance by the TFO to its Transmission Facility, other than that required in relation to unforeseen circumstances contemplated under Section 1(a) of Schedule B, but including work or maintenance, the scheduling of which is changed from the applicable weekly System Coordination Plan, the TFO shall provide notice to the ISO as specified in OPP-601. Once the ISO has notified the TFO that the outage is not expected to adversely affect System Security, the outage will be deemed to be a Planned Outage. The TFO will not interrupt or curtail

Transmission Services to carry out such outage until the ISO confirms to the TFO that to do so will not adversely affect System Security, except where the TFO is entitled to do so under Section 3.1 of these T&Cs. The TFO shall provide notice to the ISO as soon as practicable, and will use reasonable efforts to notify, in a timely manner, any impacted Interconnecting Facility owners.

### **3) Inspection and Testing**

The ISO may request to inspect a TFO facility or may request a TFO to test its facilities for the purposes of ensuring the security and reliability of the Transmission System and in order to comply with External Agency requirements. Any inspection or special testing requested by the ISO shall be at the ISO's cost as invoiced by the TFO. Supporting documentation must be provided for all invoiced costs. The TFO will make reasonable efforts to minimize the direct incremental costs and out of pocket expenses incurred as a result of any inspection and testing requested by the ISO. The TFO will use reasonable efforts to comply with any ISO request to test and will use reasonable efforts to make available to the ISO an engineering report of the findings of any such requested test.

### **4) Postponement of Planned Outages by the ISO**

The ISO may request the TFO to postpone a previously scheduled Planned Outage to mitigate against a threat to System Security. If, after consultation with the TFO regarding Transmission Facility status and reliability, the ISO determines that postponement of a Planned Outage is necessary to maintain overall System Security, the TFO will, subject to Section 3.1 of these T&Cs, accommodate the ISO. If the ISO postpones a Planned Outage which has previously been confirmed by the ISO in the System Coordination Plan or in the Operating Week or within three days prior to the Operating Week, the ISO shall reimburse the TFO for all reasonable direct incremental costs and reasonable out of pocket expenses incurred by the

TFO as a result of such postponement and shall limit the duration of such postponement as much as reasonably practicable. Each claim for reimbursement shall be accompanied by receipts and other documentary evidence substantiating the claim. The costs and expenses to be so reimbursed by the ISO shall be limited to those relating to the provision of Transmission Services by the TFO, and shall include reimbursement of any reasonable third party claim arising directly from such postponement upon which the TFO is found to be liable, provided that the TFO has diligently taken all reasonable actions to avoid, and if necessary defend the claim. The costs and expenses referred to in this clause are subject to Section 7.2 of these T&Cs. The TFO shall give the ISO reasonably prompt notice of any such anticipated costs and expenses which notice shall outline the circumstances relating to such costs and expenses as well as the detailed breakdown of such costs and expenses and which shall be provided to the ISO prior to the postponement of a Planned Outage, if possible, or as soon as reasonably practicable thereafter. The TFO shall give the ISO the opportunity to participate in the resolution, reduction and mitigation of any such claims. The ISO may assume conduct of the defense of any third party claim, and in that case the provisions of section 7.1 c) shall apply, *mutatis mutandis*. The TFO will, to the extent reasonably practicable, minimize and mitigate the direct incremental costs, and out of pocket expenses and third party claims incurred as a result of any postponement of a Planned Outage requested by the ISO.

## SCHEDULE E

Certain OPPs which are now part of the ISO Rules were adopted from Transmission Administrator Operating Policies or TAOPs and were established by the Transmission Administrator and existed prior to the proclamation of the EUA in 2003. Tables 1 and 2 show the policies that have not been modified to date, or are in the process of being modified. These Tables are accurate to July 30, 2007.

In the event that a TAOP or an OPP listed in Table 1 or Table 2 below is amended after the effective date of these T&Cs as provided by Schedule C, it shall be removed from Table 1 or Table 2 as the case may be.

**Table 1** – TAOPs that were in place prior to the ISO Rules conversion and have not been modified since the formation of the AESO.

Old TAOP#	New TAOP#	TAOP Title	Effective Date	New OPP#	Conversion Details	OPP Title	Revised since conversion (as of 2007-07-30)?
N/A	OP-225	Contract Capacities	2001-02-01	OPP 1201		Unchanged	No
OP-3600	OP-236	Loss Management	1998-06-01	OPP 703		Unchanged	No
N/A	OP-260	Calgary Area Under Voltage Load Shed Scheme	2002-05-01	OPP 504	Combined with POP 504	Unchanged	No
OP-90	OP-290	Equipment Ratings	1998-06-01	Technical Standard 003.5		Unchanged	No
OP-20	OP-420	System Security	1998-06-01	OPP 701		Unchanged	No
OP-30	OP-430	Power System Data Sharing	1998-06-01	Technical Standard 003.4		Unchanged	No

Old TAOP#	New TAOP#	TAOP Title	Effective Date	New OPP#	Conversion Details	OPP Title	Revised since conversion (as of 2007-07-30)?
OP-4700	OP-447	Risk Assessment for Transmission Maintenance Outages and Commissioning Activities	2000-09-20	OPP 602		Unchanged	No

**Table 2** – TAOPs that were in place prior to the ISO Rules conversion and are in the process of being modified and TFOs have not submitted comments indicating non-compliance.

Old TAOP#	New TAOP#	TAOP Title	Effective Date	New OPP#	Conversion Details	OPP Title	Revised since conversion (as of 2007-07-30)?
OP-1600	OP-516	Blackstart Restoration	1998-06-01	OPP 1101		Unchanged	No
OP-2200	OP-522	Major System Disturbance Reporting	2002-02-01	OPP 1304		Unchanged	No
OP-03	OP-1103	TA Operating Policies Process	2000-08-10	OPP 002	This is currently under review and is not included in the OPP yet		No
OP-4000	OP-1140	WSCC Reliability Management System & Related Reporting	2002-02-01	OPP 1305		Unchanged	No