As discussed in section 7.1 of the AESO’s 2014 ISO Tariff Application, the AESO is requesting approval of the following definitions for terms used in the proposed tariff. These definitions will not reside in the tariff itself, but will be located in the Consolidated Authoritative Documents Glossary as indicated in subsection 3(h) of section 1 of the proposed terms and conditions.

<table>
<thead>
<tr>
<th>Status</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Unchanged</td>
<td>“Act&quot; means the Electric Utilities Act.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;affiliate&quot; as defined in the Business Corporations Act means an affiliated body corporate within the meaning of section 2(1) of that Act, which section states:</td>
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<tr>
<td></td>
<td>(a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person, and</td>
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<td></td>
<td>(b) if 2 bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.</td>
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<tr>
<td>New</td>
<td>&quot;aggregated generating facility&quot; means an aggregation of generating units, including any reactive power resources, which:</td>
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<td>(i) the ISO designates as an aggregated generating facility; and</td>
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<td></td>
<td>(ii) are situated in the same proximate location at one or more points of supply.</td>
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<tr>
<td>Unchanged</td>
<td>&quot;ancillary services&quot; as defined in the Act means those services required to ensure that the interconnected electric system is operated in a manner that provides a satisfactory level of service with acceptable levels of voltage and frequency.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>“apparent power” means the total power, in MVA, in an alternating current power system and is calculated as the vector sum of real power and reactive power.</td>
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<tr>
<td>New</td>
<td>“automatic voltage regulator” means the automatic control equipment that adjusts the excitation level of a generating unit to maintain voltage levels.</td>
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<tr>
<td>Unchanged</td>
<td>&quot;balancing authority area&quot; means the collection of generation, transmission and loads within the metered boundaries of the balancing authority and for which the balancing authority maintains load-resource balance.</td>
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<tr>
<td>Unchanged</td>
<td>“billing capacity” means, at a point of delivery, the highest of:</td>
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<td>(i) the highest 15-minute metered demand in the settlement period;</td>
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<td>(ii) 90% of the highest metered demand in the 24-month period including and ending with the settlement period, but excluding any months during which commissioning occurs; or</td>
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<td>(iii) 90% of the contract capacity or, when the settlement period contains a transaction under Rate DOS, 100% of the contract capacity.</td>
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<td>Status</td>
<td>Definition</td>
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<tr>
<td>Unchanged</td>
<td><strong>&quot;business day&quot;</strong> means a day other than: (i) a holiday during which banks in Alberta are generally closed; (ii) Saturday; or (iii) Sunday.</td>
</tr>
<tr>
<td>New</td>
<td><strong>&quot;calibration factor&quot;</strong> means an adjustment to the loss charges ensuring that the actual cost of losses is reasonably recovered through charges and credits under the ISO tariff on an annual basis.</td>
</tr>
<tr>
<td>Amended</td>
<td><strong>&quot;commercial operation&quot;</strong> means the date upon which a load, generating unit or aggregated generating facility begins to operate on the transmission system in a manner which is acceptable to the ISO and which is expected to be normal for it to so operate, after energization and commissioning.</td>
</tr>
<tr>
<td>Unchanged</td>
<td><strong>&quot;Commission&quot;</strong> as defined in the Act means the Alberta Utilities Commission established by the Alberta Utilities Commission Act.</td>
</tr>
<tr>
<td>Amended</td>
<td><strong>&quot;commissioning&quot;</strong> means: (i) in the case of a new generating unit or a new aggregated generating facility, the process of carrying out, after synchronization but before commercial operation, activities designed to test equipment, the facility or a process to confirm that the facility can satisfactorily enter commercial operation and, where applicable, meets the ISO's requirements and other relevant standards; (ii) in the case of an existing generating unit or an existing aggregated generating facility that is being modified, the process of carrying out activities designed to test equipment, the facility or a process to confirm that the facility can satisfactorily continue in commercial operation and, where applicable, continue to meet the ISO's requirements and other relevant standards; (iii) in the case of a new transmission facility or a new load facility, the process of carrying out, after energization but before normal operation, activities designed to test equipment, the facility or a process to confirm that the facility can satisfactorily enter normal operation and, where applicable, meets the ISO's requirements and other relevant standards; and (iv) in the case of an existing transmission facility or an existing load facility that is being upgraded in the form of a requested increase in capacity or revised functionality, the process of carrying out activities designed to test equipment, a facility or a process to confirm that the facility can satisfactorily continue in normal operation and, where applicable, continue to meet the ISO's requirements and other relevant standards.</td>
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<td>Unchanged</td>
<td><strong>&quot;construction contribution&quot;</strong> means the financial contribution in aid of construction, in excess of any available maximum local investment, that a market participant must pay for the construction and associated costs of transmission facilities required to provide system access service.</td>
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<td>Unchanged</td>
<td><strong>&quot;contract capacity&quot;</strong> means the peak demand or supply capability, in MW, as set out in an agreement for system access service.</td>
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<td>Status</td>
<td>Definition</td>
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<tr>
<td>New</td>
<td>“day” means the twenty-four (24) hour period in Alberta beginning at 00:00:00 and ending at 23:59:59 but which</td>
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<td>(i) in the case of the day on which daylight savings begins, is twenty-three (23) hours; or</td>
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<td>(ii) in the case of the day on which daylight savings ends, is twenty-five (25) hours.</td>
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<tr>
<td>New</td>
<td>“demand” means:</td>
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<td>(i) the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in MW, at a given instant or averaged over any designated interval of time; or</td>
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<td></td>
<td>(ii) the rate at which electric energy is being used.</td>
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<tr>
<td>Amended</td>
<td>“directive” means a direction the ISO gives to a market participant to take any action the ISO deems necessary to maintain the reliability of the interconnected electric system.</td>
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<td>Unchanged</td>
<td>“electric distribution system” as defined in the Act means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a generating unit or a transmission facility.</td>
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<tr>
<td>Unchanged</td>
<td>“emergency” means, as declared by the ISO, either:</td>
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<td></td>
<td>(i) any abnormal system condition which requires immediate manual or automatic action to prevent abnormal system frequency deviation, abnormal voltage levels, equipment damage, or tripping of system elements which might result in cascading effects; or</td>
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<td></td>
<td>(ii) a state in which the interconnected electric system lacks sufficient ancillary services.</td>
</tr>
<tr>
<td>New</td>
<td>“financial obligation” means any debt, payment or similar obligation of a market participant actually incurred or likely to be incurred under the ISO rules, the reliability standards, the ISO tariff or as a counterparty to any contract with the ISO.</td>
</tr>
<tr>
<td>New</td>
<td>“financial security” means sufficient enforceable credit support to secure the financial obligations of a market participant to the ISO or a legal owner of transmission facilities.</td>
</tr>
<tr>
<td>Amended</td>
<td>“force majeure” means any occurrence, and its effects, which:</td>
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<td>(i) is beyond, the reasonable control of the ISO or a market participant;</td>
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<td></td>
<td>(ii) could not have been avoided through the use of good electric industry practice or by the exercise of reasonable diligence; and</td>
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<td></td>
<td>(iii) prevents the ISO or a market participant from performing its obligations under the ISO rules, ISO tariff or reliability standards, as applicable; but does not include a lack of finances or any occurrence which can be overcome by incurring reasonable additional expenses.</td>
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<tr>
<td>New</td>
<td>“forced outage” means the unavailability of a facility which is not anticipated as part of a legal owner’s regular maintenance and occurs as a result of an automatic or accidental action.</td>
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<td>Status</td>
<td>Definition</td>
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</table>
| Unchanged | "generating unit" as defined in the Act means the component of a power plant that produces, from any source, electric energy and ancillary services, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the generating unit, which may be used in common with other generating units:  
(i) fuel and fuel handling equipment;  
(ii) cooling water facilities;  
(iii) switch yards;  
(iv) other items. |
| Amended | "good electric industry practice" means 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 person engaged in the same type of undertaking in the same or similar circumstances, including determining what is reasonable in the circumstances having regard for safety, reliability and economic considerations but is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, and rather is intended to include practices, methods and acts generally accepted in Alberta. |
| Unchanged | "interchange transaction" means an energy or ancillary services transaction that crosses one or more balancing authority area boundaries. |
| Unchanged | "interconnected electric system" as defined in the Act means all transmission facilities and all electric distribution systems in Alberta that are interconnected, but does not include an electric distribution system or a transmission facility within the service area of the City of Medicine Hat or a subsidiary of the City, unless the City passes a bylaw that is approved by the Lieutenant Governor in Council under section 138 of the Act. |
| Unchanged | "intertie" as defined in the Transmission Regulation means a transmission facility, including its associated components, that links one or more electric systems outside Alberta to one or more points on the interconnected electric system. |
| Unchanged | "ISO" means the Independent System Operator as defined in the Act being the corporation established by section 7 of the Act. |
| Unchanged | "ISO rules" as defined in the Act means the rules made by the Independent System Operator under section 19 and 20 of the Act. |
| Unchanged | "ISO tariff" as defined in the Act means the tariff prepared by the ISO under section 30 of the Act that has been approved by the Commission. |
Revised from “owner”

“legal owner” means the person who owns electric industry property including any one or more of:

(i) a generating unit;
(ii) an aggregated generating facility;
(iii) a transmission facility;
(iv) an electric distribution system;
(v) an industrial system that has been designated as such by the Commission; and
(vi) a load facility with system access service under subsection 101(2) of the Act.

Amended “loss factor” means a number, expressed as a percentage, the ISO determines:

(i) for each generating unit, aggregated generating facility, industrial system that has been designated as such by the Commission, Fort Nelson and the City of Medicine Hat, which when multiplied by the MW output of the facility reasonably represents the facility’s impact on average transmission system losses;
(ii) for each Rate DOS, which when multiplied by the demand, in MW, reasonably represents the service’s impact on transmission system losses; and
(iii) for each import and export interchange transaction scheduled on the interconnected electric system, which when multiplied by the demand, in MW, of the transaction reasonably represents the impact on transmission system losses.

Unchanged “market participant” as defined in the Act means:

(i) any person that supplies, generates, transmits, distributes, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or
(ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or ancillary services.

Unchanged “Market Surveillance Administrator” as defined in the Act means the corporation continued by section 32 of the Alberta Utilities Commission Act

Unchanged “material adverse change” means a downgrade in the credit rating of a market participant by any credit rating agency, or an event that may result in the materially weaker creditworthiness of a market participant as reasonably determined by the ISO.

Amended “maximum capability” means:

(i) for a generating unit or aggregated generating facility, the maximum MW that it is physically capable of providing under optimal operating conditions while complying with all applicable ISO rules and terms and conditions of the ISO tariff; or
(ii) for a source asset that is an import asset, the available capability.

Unchanged “metered demand” means the rate at which electric energy is delivered to a point of delivery or from a point of supply, in MW, measured by the relevant metering equipment and averaged over a 15-minute or other interval as deemed necessary by the ISO.

Unchanged “metered energy” means the quantity of electric energy transferred to a point of delivery or from a point of supply, in MWh, measured by the relevant metering equipment during a particular period of time.
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<th>Status</th>
<th>Definition</th>
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<tr>
<td>Unchanged</td>
<td>&quot;metering equipment&quot; as defined in the AESO Measurement System Standard means all measurement transformers, meters, recorders, remote communication equipment and associated wiring required for the measurement and, if applicable, remote storage of the active energy and reactive energy interval data for a single metering point.</td>
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<tr>
<td>New</td>
<td>&quot;month&quot; means a calendar month.</td>
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<tr>
<td>Unchanged</td>
<td>&quot;needs identification document&quot; means the document referred to in section (34)(1) of the Act.</td>
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<tr>
<td>New</td>
<td>&quot;operating reserve&quot; means the real power capability above system demand required to provide for regulation, forced outages and unplanned outages.</td>
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<tr>
<td>Unchanged</td>
<td>“person” as defined in the Act includes an individual, unincorporated entity, partnership, association, corporation, trustee, executor, administrator or legal representative;</td>
</tr>
<tr>
<td>Amended</td>
<td>&quot;physical capacity&quot; means the maximum amount of electric power that a transmission facility is rated by its legal owner to be able to transmit without suffering damage.</td>
</tr>
<tr>
<td>New</td>
<td>&quot;planned outage&quot; means the unavailability of a facility which is anticipated as part of a legal owner’s regular maintenance and occurs as a result of a deliberate, manual action.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;point of delivery&quot; means the point at which electricity is transferred from transmission facilities to facilities owned by a market participant receiving system access service under the ISO tariff, including an electric distribution system.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;point of interconnection&quot; means the point at which electricity is transferred between the interconnected electric system and a neighbouring jurisdiction and where the electricity so transferred is measured.</td>
</tr>
<tr>
<td>Amended</td>
<td>&quot;point of supply&quot; means the point at which electricity is transferred to transmission facilities from facilities owned by a market participant receiving system access service under the ISO tariff, including a generating unit, an aggregated generating facility or an electric distribution system.</td>
</tr>
<tr>
<td>Amended</td>
<td>&quot;pool price&quot; as defined in the Act means the price for each hour established and reported by the ISO, in accordance with the ISO rules, for electric energy exchanged through the power pool.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;power factor&quot; means the ratio of real power to apparent power.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;power pool&quot; as defined in the Act means the scheme operated by the Independent System Operator for: (i) exchange of electric energy; and (ii) financial settlement for the exchange of electric energy.</td>
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<tr>
<td>Status</td>
<td>Definition</td>
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<tr>
<td>Unchanged</td>
<td>&quot;power purchase arrangement&quot; as defined in the Act means a power purchase arrangement included in Alberta Regulation AR 175/2000, being the Power Purchase Arrangements Determination Regulation, but does not include:</td>
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<td>(i) the power purchase arrangement that applies to the H.R. Milner generating unit;</td>
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<td>(ii) the power purchase arrangement that applies to the Sturgeon generating units;</td>
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<td></td>
<td>(iii) a power purchase arrangement that expires in accordance with the unit effective term completion date specified in the power purchase arrangement;</td>
</tr>
<tr>
<td></td>
<td>(iv) a power purchase arrangement that is terminated under section 15.2 of the power purchase arrangement;</td>
</tr>
<tr>
<td></td>
<td>(v) a power purchase arrangement that is terminated by the balancing pool.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;rated capacity&quot; means the maximum amount of electric power that a transmission facility is rated by the manufacturer to be able to transmit.</td>
</tr>
<tr>
<td>New</td>
<td>&quot;reliability&quot; means the combination of adequacy and system security.</td>
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<tr>
<td>Unchanged</td>
<td>&quot;remedial action scheme&quot; means a protection scheme designed to perform pre-planned corrective measures following a disturbance to provide for acceptable interconnected electric system performance or equipment protection.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;settlement period&quot; means the period starting on the first day of each calendar month at 00:00 hours and ending on the last day of the same calendar month at 24:00 hours.</td>
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<tr>
<td>Unchanged</td>
<td>&quot;substation fraction&quot; means the share of a substation's capacity attributable to a market participant under Rate DTS or Rate STS, calculated by dividing the contract capacity of the individual system access service by the sum of all contract capacities of all system access services provided at the same substation under Rate DTS and Rate STS.</td>
</tr>
<tr>
<td>Unchanged</td>
<td>&quot;system access service&quot; as defined in the Act means the service obtained by market participants through a connection to the transmission system, and includes access to exchange electric energy and ancillary services.</td>
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<td>Status</td>
<td>Definition</td>
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</tbody>
</table>
| Unchanged| **“transmission facility”** as defined in the Act means an arrangement of conductors and transformation equipment that transmits electricity from the high voltage terminal of the generation transformer to the low voltage terminal of the step down transformer operating phase to phase at a nominal high voltage level of more than 25 000 volts to a nominal low voltage level of 25000 volts or less, and includes:  
   (i) transmission lines energized in excess of 25000 volts;  
   (ii) insulating and supporting structures;  
   (iii) substations, transformers and switchgear;  
   (iv) operational, telecommunication and control devices;  
   (v) all property of any kind used for the purpose of, or in connection with, the operation of the transmission facility, including all equipment in a substation used to transmit electric energy from (A) the low voltage terminal, to (B) electric distribution system lines that exit the substation and are energized at 25 000 volts or less, and  
   (vi) connections with electric systems in jurisdictions bordering Alberta, but does not include a generating unit or an electric distribution system.                                                                 |
| Unchanged| **“transmission system”** as defined in the Act means all transmission facilities in Alberta that are part of the interconnected electric system.                                                                                                                                                                                                 |
| New      | **“underfrequency load shedding”** means the automatic or manual actions required to shed system load when the system frequency falls below the normal system operating frequency of sixty (60) Hz in order to allow for the return to a secure state.                                                                                                                                         |
| New      | **“unplanned outage”** means the unavailability of a facility which is not anticipated as part of a legal owner’s regular maintenance and occurs as a result of a deliberate, manual action.                                                                                                                                                   |