



2006 TERMS AND CONDITIONS OF SERVICE

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ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 The following terms shall have the following meanings in this Tariff:

“**Act**” means the Electric Utilities Act, S.A. 2003, c. E-5.1 and regulations made thereunder, as amended from time to time.

“**AESO**” means Alberta Electric System Operator, and is a trade name under which the ISO carries on business in fulfillment of its roles, responsibilities, and duties pursuant to the Act.

“**AESO Measurement System Standard**” means the standards contained in the document titled *Alberta Electric System Operator Measurement System Standards*, made available by the AESO, which defines the accountabilities and obligations of the AESO, metering service providers, and metering data providers in respect of the provision and operation of the measurement system required for the measurement, acquisition, processing, and delivery of measurement data, as amended from time to time.

“**AESO Person**” means “Independent System Operator person” and has the meaning ascribed to it in the Act.

“**AESO Standard Facilities**” mean the least-cost interconnection facilities which meet good transmission practice including applicable reliability, protection, and operating criteria and standards, and generally consist of a single radial transmission circuit and a single transformer to supply an individual Point of Connection.

“**AESO Transmission Reliability Criteria**” means the transmission reliability criteria used by the AESO in the planning and operating of the Alberta Interconnected Electric System and which are available electronically on the AESO internet website.

“**AIES**” means Alberta’s “Interconnected Electric System” and has the meaning ascribed to it in the Act.

“**Affiliate**” has the meaning ascribed to it in the Business Corporations Act (Alberta), S.A. 1981, c. B-15, as amended.

“**Ancillary Services**” has the meaning ascribed to it in the Act.

“**Apparent Power**” means the product of the volts and amperes, comprising both real and reactive power, usually expressed in kilovoltamperes (“kVA”) or megavoltamperes (“MVA”).

“Application Fee” means the refundable interconnection application fee a Customer pays to the AESO when the Customer submits a request for interconnection to the AES. Application Fees are set out in Article 5.

“Area Control Error” means the instantaneous difference between actual and scheduled interchange, taking into account the effects of frequency bias (and time error or unilateral inadvertent energy, if automatic correction for either is part of the AGC).

“Automatic Generation Control” or **“AGC”** means equipment that automatically adjusts a Control Area’s generation to maintain its frequency or interchange schedule plus or minus frequency bias.

“Automatic Voltage Regulator” or **“AVR”** means automatic control equipment that changes the Generating Unit excitation level to maintain voltage levels.

“Billing Capacity” has the meaning ascribed to it in Rate Schedule DTS.

“Billing Period” means a period of time 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 hrs, during which a Customer is supplied with System Access Service.

“Business Day” means a day other than a Saturday, a Sunday, a Statutory Holiday, or a Monday when a Statutory Holiday occurs on a Saturday or Sunday and the following Monday is a day during which financial banking privileges are suspended.

“Commercial Operation” means the date upon which a load or Generating Unit begins to operate on the transmission system in a manner which is acceptable to the AESO and which is expected to be normal for it to so operate, after energization and Commissioning.

“Commissioning” means those limited activities (as approved in advance by the AESO and subject to written agreement) conducted after interconnection which are required to ensure that a facility can satisfactorily enter Commercial Operation and that a facility meets the AESO’s requirements. The term of such written agreement will not extend beyond a three month period unless otherwise agreed to by the AESO.

“Confidential Information” means information provided to the AESO that has been specifically identified as being confidential in nature by the provider of such information and information provided pursuant to Article 8 of these Terms and Conditions of Service.

“Constrained On” means a condition where a Generating Unit has been dispatched on load while Out of Merit, as a result of a Dispatch Instruction by the AESO.

“Construction Commitment Agreement” means a financial security agreement made between the Customer and the TFO or between the Customer and the AESO prior to arrangements for new facilities required to accommodate the provision of System Access Service to the Customer or an increase thereto.

“Contract Capacity” means the peak demand or supply capability (expressed in MW), as set out in the System Access Service Agreement.

“Control Area” means a geographic area comprised of 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 frequency regulation of the interconnection, such as the AIES.

“Customer” is an Eligible Person who takes, or applies to take, System Access Service from the AESO and satisfies the conditions provided in Article 3.1 below.

“Customer’s Facilities” or **“Customer Facilities”** means all facilities interconnecting with the AIES on the Customer’s side of the POD or POS.

“Customer Contribution” means the amount required to be paid by a Customer taking service under Rate Schedule DTS or Rate Schedule STS pursuant to Article 9 hereof.

“Demand Customers” are load customers and generation customers, the latter for the purposes of obtaining their back up supply.

“Demand Opportunity Service Business Practices” means the business practices contained in the Business Practices – Demand Opportunity Service (DOS) document, made available by the AESO, as may be amended from time to time in accordance with the provisions of Article 10 below.

“Direct Loss or Damage” has the meaning ascribed to it in the Act.

“Dispatch Instruction” means in respect of any Generating Unit, all dispatch instructions issued by the AESO from time to time, designating such unit to provide Ancillary Services, by changing the output or manner of operation of a unit, or by another method or procedure, and giving any necessary details as to the service to be provided.

“Dispute” means any dispute, claim, or difference that arises in respect of the Tariff between the AESO and the Customer.

“**Distributor**” means a party providing “Distribution Access Service”.

“**Distribution Access Service**” has the meaning ascribed to it in the Act.

“**DOS**” or “**Demand Opportunity Service**” means service under either Rate Schedule Demand Opportunity Service (DOS 7 Minutes) or Demand Opportunity Service (DOS Term).

“**DTS**” or “**Demand Transmission Service**” means service under Rate Schedule Demand Transmission Service.

“**E&G Act**” means the Electricity and Gas Inspection Act (Canada) and regulations made thereunder, as amended from time to time, or such replacement legislation as may be enacted.

“**Eligible Person**” means any of the following: the owner of a Generating Unit; the owner of an electric distribution system; an importer or exporter; the owner of an industrial system; a direct access customer, or the purchaser of a PPA.

“**Emergency**” means, as declared by the AESO, either: 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 a state in which the AESO lacks sufficient Ancillary Services.

“**Energy Transfer**” shall mean the quantity of energy transfer attributable to a transaction for service under Rate Schedule Export Opportunity Service or Rate Schedule Import Opportunity Service, based on the capacity at a Point of Interconnection and allocated to a Customer.

“**EUB**” means the Alberta Energy and Utilities Board.

“**Export Opportunity Service**” means service under Rate Schedule Export Opportunity Service.

“**Force Majeure**” means: acts of God; strikes; lockouts or other industrial disturbances; vandalism; wars; riots; epidemics; landslides; lightning; earthquakes; explosions; fires; storms; intervention of federal, provincial, or local government (or from any of their agencies or boards); the order or direction of any court; inability to obtain, interruption, suspension, curtailment or other diminution of, supply of materials, utilities, or services from any supplier (including, without limitation, TFOs, Ancillary Service Providers or the AESO) and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the AESO and which by the exercise of due diligence the AESO is unable to prevent or overcome.

Notwithstanding the foregoing, a decision, direction, or order made by the EUB in the normal course of it exercising its authority shall not be an event of force majeure.

“Generating Unit” has the meaning as ascribed to it in the Act.

“Governor” or **“Governor System”** means automatic control equipment with speed droop characteristics to control Generating Unit speed and/or electric power output.

“Import Opportunity Service” means service under Rate Schedule Import Opportunity Service.

“Interconnection Requirements” means the requirements contained in the documents titled *Technical Requirements for Connecting to the Alberta Interconnected Transmission Grid* in either *Part 1: Technical Requirements for Connecting Loads* or *Part 2: Technical Requirements for Connecting Generators to the Alberta Interconnected Electric System*, made available by the AESO, as amended from time to time.

“ISO” or **“Independent System Operator”** has the meaning ascribed to it in the Act.

“ISO Rules” has the meaning ascribed to it in the Act.

“Looped” refers to transmission facilities that increase the number of electrical paths between any two POCs other than the POC that serves the Customer for whom the facilities are being or have been constructed.

“Losses” means the energy that is lost through the process of transmitting electric energy.

“Maximum TMR Compensation” means the description found in Article 11.7.

“MCR” or **“Maximum Continuous Rating”** is the maximum net power output that can be sustained by a generator over a long period.

“Metered Demand” means the rate at which electric energy is delivered to a POD, or from a POS, expressed in MW, averaged over a 15-minute, 1-minute, or other interval as deemed necessary by the AESO.

“Metered Energy” means the quantity of energy, expressed in MWh, reflected by the relevant Metering Equipment as having been transferred in a particular period of time.

“Metering Equipment” means any current transformers, potential transformers, interconnecting wiring, meters, remote metering communication facilities, and

records used by the owner of the Metering Equipment in connection with these Terms and Conditions to measure Metered Demand.

“Non-Dispensated Metering Equipment” means Metering Equipment installed after May 31, 1998 which is not the subject of a waiver or dispensation by Industry Canada of requirements under the E&GI Act.

“Non-Recallable Service” means System Access Service pursuant to Rate Schedule DTS or Rate Schedule STS.

“Opportunity Capacity” means the incremental amount of transmission capacity that is available under a System Access Service Agreement for Demand Opportunity Service to provide capacity in addition to Contract Capacity for DTS.

“Opportunity Service” means System Access Service offered to any Customer who can establish to the AESO’s satisfaction that it would not take System Access Service pursuant to Rate Schedule DTS and with respect to which, therefore, the service requirement presents the opportunity for incremental revenue with which the AESO can offset transmission costs.

“Opportunity Service Customers” means those Customers that meet the criteria for Opportunity Service, as defined.

“Physical Capacity” means the maximum amount of electric power that a transmission facility, as rated by a TFO, is able to transmit.

“Planning Capacity” means the peak demand or supply capability (expressed in MW), as requested in a Customer’s application for System Access Service.

“POC” or **“Point of Connection”** means a point at which electric energy is transferred between the Customer’s facility and the AIES. A Point of Connection may be a Point of Supply (POS), a Point of Delivery (POD), or both.

“POD” or **“Point of Delivery”** means the point at which electric energy is transferred from the AIES to a Customer’s Facilities.

“Point of Interconnection” means the point at which electrical energy is transferred from the AIES to a neighbouring jurisdiction and where the electric energy so transferred is measured.

“Pool Price” shall have the meaning ascribed to that term in the Act, and when used in the context of a particular hour, shall mean the pool price for that hour.

“POS” or **“Point of Supply”** means the point which electric energy is transferred from a Customer’s Facilities to the AIES.

“**Power Factor**” means the ratio of Real Power to Apparent Power.

“**PPA**” or “**Power Purchase Arrangement**” has the meaning ascribed to it in the Act.

“**PPA Effective Date**” means January 1, 2001 or such other dates as the Power Purchase Arrangement becomes effective.

“**PSC**” or “**Primary Service Credit**” means the credit set forth in Rate Schedule Primary Service Credit.

“**PSS**” means power system stabilizer.

“**Radial**” facilities are those transmission facilities that are not Looped.

“**Ratchet Level**” has the meaning ascribed to it in Rate Schedule Demand Transmission Service.

“**Rate Schedules**” means the schedules attached to and forming part of the Tariff, which set out the respective rates to be charged, and credits to be attributed, for each type of System Access Service.

“**Rated Capacity**” means the maximum amount of electric power which a transmission facility is rated by the manufacturer to be able to transmit.

“**Reactive Power**” means the portion of electricity that establishes and sustains the electric and magnetic fields of alternating current equipment, expressed in megavars (“MVar”).

“**Real Power**” means the rate of producing, transferring, or using electrical energy, expressed in megawatts (“MW”).

“**Regulated Generating Unit**” is a generating unit listed in Appendix B.

“**Representatives**” means the directors, officers, employees, consultants, and agents of the AESO.

“**RMS**” or “**Reliability Management System**” refers to the reliability management system and all mandatory operating criteria required thereby adopted and enforced by the WECC.

“**Statutory Holiday**” means New Year’s Day, Family Day, Good Friday, Victoria Day, Canada Day, Heritage Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, and Boxing Day.

“**STS**” or “**Supply Transmission Service**” means the service provided under Rate Schedule Supply Transmission Service.

“**STS Capacity**” means the Contract Capacity as set out in the System Access Service Agreement for Supply Transmission Service.

“**System Access Service**” has the meaning ascribed to it in the Act.

“**System Access Service Agreement**” means an agreement, in the form made available by the AESO, entered into between the AESO and a Customer for System Access Service.

“**System Contribution**” means the amount required to be paid by Customers taking service under Rate Schedule STS pursuant to Article 9.11 hereof.

“**System Security**” means the ability of the AIES to withstand events such as electric short circuits, unanticipated loss of AIES components, and switching operations without experiencing cascading loss of AIES components or uncontrolled loss of load.

“**Tariff**” means these Terms and Conditions and Appendices attached hereto and the Rate Schedules as approved by the EUB.

“**TFO**” or “**Transmission Facilities Owner**” has the meaning ascribed to it in the Act.

“**TMR**” or “**Transmission Must-Run**” means Constrained On dispatch of a Generating Unit to a specific level in accordance with a Dispatch Instruction issued to maintain System Security.

“**Transmission Regulation**” means the Transmission Regulation, A.R. 174/2004, as amended from time to time.

“**UFLS**” or “**Under-Frequency Load Shedding Credit**” means the under-frequency load shedding provisions as set forth in Rate Schedule Demand Under-Frequency Load Shedding and the credits therefor.

“**Western Interconnection**” means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico, and the Western United States in which members of the WECC operate synchronously connected transmission systems.

“**WECC**” means the Western Electricity Coordinating Council and any successor organization.



- 1.2 Unless otherwise expressly provided, any definition of a word or expression in the Act shall apply to the use of such word or expression in this Tariff.

ARTICLE 2 APPLICATION OF TARIFF

2.1 **Tariff Application**

This Tariff sets forth the rates and Terms and Conditions of Service under which the AESO will provide System Access Service to its Customers. By accepting service from the AESO, a Customer is deemed to have accepted this Tariff. In the event of any conflicts between the Terms and Conditions and the Rate Schedules, the Terms and Conditions govern.

2.2 **EUB Approval**

This Tariff has been approved by the EUB, defines service to be delivered by the AESO and binds all of the AESO's Customers. This Tariff defines the basic rights of the AESO and all its Customers with respect to all services provided by the AESO.

2.3 **Effective Date**

This Tariff becomes effective on the later of January 1, 2006 or the first day of the month after the EUB approves it and remains in effect until replaced or amended pursuant to Section 124 of the Act.

2.4 **Powers Under the Act**

Nothing in this Tariff shall in any way restrict or limit the powers, duties, and responsibilities of the AESO as described in the Act.

ARTICLE 3 PROVISION OF SYSTEM ACCESS SERVICE

3.1 **Provision of Service**

Subject to Article 17, the AESO agrees to provide System Access Service, up to and including the POD or POS, to all Customers who have executed a System Access Service Agreement and abide by this Tariff. The AESO is not obligated to provide service to a Customer in excess of 110% of the Contract Capacity set out in the Customer's System Access Service Agreement.

3.2 **Withholding Service**

The AESO, at its sole discretion, may withhold, limit, or discontinue System Access Service if the Customer fails to abide by this Tariff. If requested by the Customer, the AESO will provide a written explanation for withholding, limiting, or discontinuing System Access Service. Any such withholding, limiting, or discontinuing will not relieve the Customer from its obligation to pay any rate, charge, or other amount that has accrued, or is accruing, to the AESO.

3.3 **Reliability Standard**

The AESO will maintain the reliability of the AIES and the Western Interconnection in accordance with the RMS.

3.4 **Reasonable Exercise of Discretion**

Where the AESO or a Customer is granted any discretion pursuant to these terms and conditions (whether with respect to granting its consent or withholding its consent to a particular matter or otherwise), the AESO, the Customer or both will, in every instance, exercise its discretion acting reasonably.

ARTICLE 4 CUSTOMER INTERCONNECTION REQUIREMENTS

4.1 Compliance

All Customers must comply with the Interconnection Requirements.

4.2 Customer Facilities

All facilities interconnecting with the AIES on the Customer's side of the POD or POS are the responsibility of the Customer and the AESO has no responsibility in respect of service provided over Customer Facilities.

4.3 Use of Service

No Customer or any other person may rearrange, disconnect, remove, interconnect with, or otherwise interfere with any transmission facility without the AESO's prior written consent.

4.4 Generating Units

Any Customer whose facilities include a Generating Unit which is operated in parallel to the electric system, whether connected at a transmission voltage or a distribution voltage, must have, for all hours in which the Generating Unit is operating, a PSS in service and an AVR operated in a voltage control mode. Any Customer that has a Generating Unit connected to the electric system without a PSS in service, or that has an AVR operating in any condition other than Voltage control, must notify the AESO of those conditions. The Customer must report to the AESO on a monthly basis, no later than the 5th Business Day of the month following the month to which the report relates, the AVR operation (voltage control or other) and PSS in-service periods for the preceding month. In the event that the AESO becomes aware of a failure to comply with this requirement, the AESO shall report the non-compliance to the WECC and any penalties assessed by the WECC that result from the non-compliance will be borne by the relevant Customer. Article 4.4 does not apply to Generating Units that are exempt from PSS requirements in accordance with WECC policy.

If the AESO requires PSS or AVR to be added to a currently regulated generator in the future, the AESO will pay any costs prudently incurred in the installation of the PSS or AVR and will recover prudently incurred costs from tariff(s) approved by the EUB. In the event the EUB determines that costs incurred by the currently regulated generators in the installation of the PSS or AVR cannot be recovered in rates charged by the AESO, then the Customer who has received the benefit of such amounts shall reimburse the AESO for such amounts. If the excitation system of an existing regulated or unregulated generator to which Article 4.4 does not apply is rebuilt or replaced, the new excitation system must be suitable for PSS, and a PSS/AVR must be installed.

4.5 Effect of Non-Compliance

Failure to comply with the Interconnection Requirements may result in the AESO withholding, suspending or terminating System Access Service. Where non-compliance with the Interconnection Requirements or the requirements of Article 4.4 would not have a detrimental affect on system reliability, the AESO may, in its sole discretion, waive compliance therewith for any existing Customer for whom, in the AESO's reasonable opinion, the imposition thereof would create severe hardship or unnecessary costs.

**ARTICLE 5
SYSTEM ACCESS APPLICATION**

5.1 Distributor’s Application for Service

A Customer who is a Distributor may apply for new System Access Service or for expanded System Access Service within an existing POD.

- (a) The AESO will work cooperatively with the Distributor and the TFO to determine the most cost effective manner to facilitate System Access Service for the Distributor’s request for new System Access Service or for expanded System Access Service within an existing POD.
- (b) The AESO will provide the Distributor or the TFO with the necessary approvals, conditional or otherwise, and other interconnection documentation required to facilitate System Access Service, including securing any necessary EUB approvals required under the Act.
- (c) Subject to Article 5.3, if the Distributor proceeds with the recommended System Access Service solution the Distributor is expected to provide the information and financial security required by the TFO and to enter into a Construction Commitment Agreement with the TFO.

5.2 Generator, Industrial Systems, and Industrial Load Applications for Service

A Customer who is not a Distributor may apply for new System Access Service or for expanded System Access Service within an existing POC.

- (a) The Customer must work with both the AESO and the TFO who will cooperatively determine the most cost effective manner to facilitate System Access Service.
- (b) The Customer must provide the AESO with a completed Preliminary Assessment Application and the associated fee as set out in sub-paragraph (c).
- (c) Where required by the AESO, the Customer must pay the following refundable Preliminary Assessment Application Fee. The AESO will refund such fee to the Customer within 90 days of energization of the Customer’s Facilities.

Project Size	Preliminary Assessment Fee
≤ 15 MW	\$10,000
> 15 MW and ≤ 25 MW	\$20,000
> 25 MW	\$50,000

- (d) The AESO will provide the Customer and the TFO with the necessary approvals, conditional or otherwise, and other interconnection documentation required to facilitate System Access Service, including securing any necessary EUB approvals required under the Act.
- (e) Subject to Article 5.3, if the Customer proceeds with the recommended System Access Service solution, the Customer is expected to provide the

information and financial security required by the TFO and to enter into a Construction Commitment Agreement with the TFO.

5.3 Application to the AESO

At the sole discretion of the AESO and only in exceptional circumstances, the Customer may proceed with the application for System Access Service through the AESO and, in conjunction therewith, must provide the information, financial security, and Construction Commitment Agreement required by the AESO.

5.4 Loss Factor Calculations and Other Studies

A Customer or potential Customer that requests a preliminary loss factor calculation (only) must complete a loss factor calculation application form and pay the AESO a non-refundable fee of twenty-five hundred dollars (\$2,500). For additional services requested by the Customer that the AESO agrees to perform, the Customer must pay the AESO's actual costs to prepare and provide the requested information. The AESO will conduct all detailed studies in the order that payment is received.

5.5 Facility Changes

The AESO is not liable to any Customer or potential Customer for changes to the actual or planned facilities that occur between the date upon which the TFO or the AESO, as the case may be, issues the Project Specifications and the date upon which the Customer commits, in writing, to construction of the applied-for System Access Service.

5.6 System Application Disputes

Disputes in respect of a Customer System Application must be referred to the AESO, in writing. The AESO will review the dispute and provide the Customer and any other affected parties with a proposed resolution within 30 Business Days of receipt thereof. In the event mutual agreement cannot be reached, any of the affected parties may then enter into the Dispute Resolution process as set out in Article 19 of this Tariff.

ARTICLE 6 SECURITY AND CUSTOMER AGREEMENTS

6.1 Construction

The AESO will arrange construction of new facilities only after the Customer has satisfied all necessary requirements in Article 5 and this Article 6.

6.2 Security for New Transmission Facilities

- (a) If requested by the AESO, the Customer must provide security in an amount determined by the AESO, which amount will not exceed the estimated cost of construction. Security must be in the form of a guarantee, cash deposit, or an irrevocable letter of credit from a Canadian chartered bank, credit union, trust company, or other financial institution with a minimum A- credit rating as determined by Standard & Poor's or equivalent credit rating agency. The security must be satisfactory to the AESO, at its sole discretion, in form, substance, and amount.
- (b) The AESO may request, at its sole discretion, at any time after execution of the Customer Commitment Agreement, additional or replacement security based on the AESO's estimate of the appropriate security required. Required additional or replacement security must be provided to the AESO within two business days of such request. Customers must report any event of default for borrowed funds or material adverse changes in their financial position to the AESO within two Business Days of such event.
- (c) Security will not be required for transmission facilities requested by distributors regulated by the EUB.

6.3 Effect of Non-Compliance

If the Customer fails to provide adequate security as requested by the AESO, the AESO may immediately withhold or suspend the Customer's System Access Service pursuant to Article 3.2. Any such withholding or suspension will not relieve the Customer from its obligation to pay any rate, charge or other amount that has accrued, or is accruing, to the AESO.

6.4 Cancellations

- (a) If new transmission facilities are no longer required for any reason after the Construction Commitment Agreement is executed, the Customer must pay to the AESO all costs incurred in the procurement and construction of facilities as of the termination date, all cancellation costs, penalties, and other related costs including those for material salvage and reclamation of the construction site. If the Customer fails to make payment on the payment due date, the AESO at its discretion may realize on any security provided by the Customer.
- (b) The AESO may, but is not required to, deduct any amounts owing by the AESO to the Customer under any agreement between the AESO and the Customer on partial or full (as the case may be) satisfaction of such costs, penalties or other claims. Such amounts may include, but are not limited to,



debts, liquidated demands, unliquidated demands, damages or other obligations.

6.5 System Access Service Agreement

Prior to Commissioning of new facilities, the Customer for whom the transmission facilities were built must execute a System Access Service Agreement for each POD or POS. The AESO will provide System Access Service during Commissioning at the Rate Schedule named in the System Access Service Agreement.

ARTICLE 7 METERING

7.1 Metering Standards

All Customers must provide Metering Equipment that measures Metered Demand in fifteen minute intervals or such other interval as the AESO may require. The selection, use and calibration of Metering Equipment must comply with the E&GI Act, except where the AESO requires revenue meters to be accurate to within 0.5% for loads up to 10 MVA and 0.2% for loads above 10 MVA (the "System Accuracy Standard").

7.2 Meter Testing

- (a) The Customer may request that the AESO arrange for any Metering Equipment testing including, at the Customer's cost, the calibration of any Non-Dispensated Metering Equipment to the System Accuracy Standard. If the Customer requests a test and the meter is subsequently found to be accurate within the System Accuracy Standard, then the Customer will pay for the cost of the testing as invoiced in its next Statement of Accounts.
- (b) The AESO may require testing of Metering Equipment at any time. If the Metering Equipment meets the System Accuracy Standard, the AESO will bear the cost of such testing. Otherwise, the Customer will pay for the cost of testing and any necessary recalibration.

7.3 Access

The Customer must allow the AESO, including its Representatives, access to enter the Customer's premises, at any reasonable time and at the Customer's cost, to read or install Metering Equipment thereon.

7.4 Direction to Install Metering

The AESO may require the Customer to install Metering Equipment on the Customer's premises, at the Customer's sole cost. If the Customer fails to comply with such requirement in a timely manner, the AESO may, at the Customer's sole cost, enter and install Metering Equipment on the Customer's premises.

7.5 Meter Data

The Customer will make reasonable efforts to meet the requirements of the E&GI Act, the AESO Measurement System Standard, and the Settlement System Code established by the AESO. Revenue class meters will be used for billing purposes, energy purchases and sales, and Ancillary Services purchases.

7.6 Metering Signals

Metering signals in the form of energy pulses, reactive energy pulses, and analog values of energy and reactive energy can be provided to the Customer, upon written request and at the Customer's cost. This cost will be included in the Customer's Statement of Accounts.



7.7 Effect of Non-Compliance

Notwithstanding Article 3.2, the AESO will not withhold, suspend or terminate System Access Service unless and until:

- (a) the metering non-compliance has first been referred to the dispute resolution procedures found in Article 19,
- (b) the Customer has failed to adhere to any resolution mutually achieved or the decision of an arbitrator, as the case may be, in a timely manner, and
- (c) the AESO has provided the Customer with five days prior written notice of its intention to withhold, suspend, or terminate System Access Service.

ARTICLE 8 PROVISION OF INFORMATION BY CUSTOMERS

8.1 System Access Information

Customers must provide, upon request, all information that the AESO requires in order to discharge its duties and functions under the Act or in compliance with any external agency's reporting requirements. Such information includes, but is not limited to:

- (a) information required by the AESO in respect of new or expanding System Access Service;
- (b) technical information during construction and prior to energization (pre-commissioning information requirements can be obtained from the AESO); and
- (c) Metering Equipment information outlined in Appendix A.

8.2 Forecast Information

On October 1st of each calendar year and whenever new information arises, all Customers must provide the AESO with:

- (a) a copy of the Customer's operating procedures;
- (b) a schedule of planned or maintenance outages for the following two calendar years; and
- (c) forecast information for the following five years, including:
 - (i) forecast Maximum Contract Capacity by POD or POS by month,
 - (ii) the location and size of any new POD and POS required, and
 - (iii) the name and location of existing POD and POS which may no longer be required.

The appropriate forms for provision of forecast and update information can be obtained from the AESO.

8.3 Effect of Non-Compliance

Failure to provide information that may have an impact on safety or system security will result in suspension, termination or delay of System Access Service until such time that the information is provided to the AESO.

The AESO is not responsible for any delay, interruption, damage or other problems caused by a delay in the provision of information required from a Customer.

ARTICLE 9 CUSTOMER AND SYSTEM CONTRIBUTION POLICY

9.1 Service Requirements

In considering requests to provide service to a new POC, or to increase the capacity of or improve the service to an existing POC, the AESO will determine the appropriate means of delivering the requested service.

- (a) If the Customer's request primarily represents a shift of supply or demand from an existing POC, then the Customer will pay the full cost of the transmission upgrade or extension ("the project")
- (b) If the AESO determines that the most economic option for providing service to a Customer is a facility other than a transmission facility (such as a distribution-level extension or isolated generation), then the customer will pay the difference in cost between the most economic option and the transmission upgrade or extension in addition to any customer contribution required under Articles 9.3 through 9.6.

Otherwise:

- (c) for a Point of Delivery Customer, the Customer's contribution to project costs will be determined in accordance with Articles 9.3 through 9.6, and
- (d) for a Point of Supply Customer, the Customer's contribution to project costs will be determined in accordance with Articles 9.3 through 9.6, and the Customer's System Contribution will be determined in accordance with Article 9.11.

9.2 Payment of Contributions

All Customer Contributions and System Contributions required under this Article 9 must be paid by the Customer before the start of construction of transmission facilities to provide the requested service. Payment must be made by way of electronic funds transfer or wire transfer to the bank account specified by the AESO

9.3 Classification of System and Customer-Related Costs

The AESO will classify project costs as either system-related costs or Customer-related costs, as follows.

- (a) For a Point of Delivery Customer, subject to Article 9.3(c), Customer-related costs are those costs of a contiguous project in respect of Radial transmission extensions and enhancements at existing adjacent substations. Such costs will normally include the point of interconnection, new transmission line, communication at the point of interconnection, communication enhancements at adjacent substations, a new breaker at an existing substation if required, and other enhancements required to complete the customer's interconnection.
- (b) For a Point of Supply Customer, subject to Article 9.3(c), Customer-related costs are those costs of a contiguous project in respect of Radial transmission extensions. Such costs will normally include the point of interconnection, new transmission line, communications at the point of

interconnection back to the existing system, and a new breaker at an existing substation if required.

- (c) System-related costs are those project costs associated with:
- (i) Looped transmission facilities;
 - (ii) Radial transmission extensions if the transmission development plan (as that plan exists on the date the project is Commissioned) proposes that the Radial transmission extension becomes Looped within five years. The Customer will pay the cost of advancing that part of the project from the date established in the transmission development plan, calculated as the difference between the present values of the capital costs of the advanced and as-planned projects using the discount rate as determined under Article 9.14; and
 - (iii) Where, in the sole opinion of the AESO, economics or system planning dictate that a facility larger than that required to serve the Customer is to be installed, then the AESO will classify that portion of the project deemed to be in excess of the Customer's needs as system-related costs. As the need to serve additional POCs arises, these system-related costs may be reclassified as Customer-related costs and allocated to the new Customers. The capacity between the Customer's requirements and the minimum size of facilities required to serve the Customer is not considered to be in excess of the Customer's requirements.
- (d) Where the Customer requests an interconnection configuration that, in the sole opinion of the AESO, exceeds AESO Standard Facilities, the Customer must pay all customer and system costs in excess of AESO Standard Facilities.

9.4 **Prepaid Operations and Maintenance**

For customers taking service under Rate DTS, a prepaid operations and maintenance charge of 12% will be added separately to the costs of:

- (a) AESO Standard Facilities required to provide service to the customer where these costs are eligible for Local Investment determined in accordance with Article 9.6; and
- (b) facilities which exceed the AESO Standard Facilities required to provide service to the Customer.

9.5 **Determination of Supply-Related and Demand-Related Costs**

Customer-related costs will be classified as either supply-related costs or demand related costs, as follows:

- (a) The fraction of Customer-related costs classified as supply-related shall be $\text{STS}/(\text{STS}+\text{DTS})$, where STS and DTS are the STS and DTS Contract Capacities, respectively, at the POC. All supply related costs shall be paid by the Customer.

- (b) The Customer-related costs not classified as supply-related costs shall be classified as demand-related costs. The Customer's contribution to demand-related costs shall be in accordance with Article 9.6.

9.6 Determination of Customer Contribution

Customers may be required to contribute toward demand-related costs. The Customer's contribution to demand-related costs will be determined in accordance with this Article 9.6. Otherwise, the Customer must pay all demand-related costs.

The Customer's contribution to the demand-related costs will be calculated as follows:

Customer Contribution = Demand-related costs less the Local Investment

Where:

- (a) for a Customer taking service under Rate DTS:
- (i) the maximum Local Investment =
 - \$125,000/year of DTS contract term for new PODs; plus
 - \$5,000/MW of DTS Contract Capacity/year of DTS contract term for both new PODs and increases in capacity of or improvements to the service to an existing POD;
 - (ii) the Local Investment will not exceed the demand-related costs determined in Article 9.5(b) or, if applicable, the cost of the most economic option determined in Article 9.1(b); and
 - (iii) the DTS contract term = 5 to 20 years, as determined by the Customer;
- and
- (b) for a Customer taking service under any other rate, the maximum Local Investment = \$0.

9.7 Staged Loads

- (a) Local investment for projects with expected material increases or decreases in contract load will be determined at the start of the project by taking the present value of the local investment in the incremental load for the remaining contract term.
- (b) If the material increases or decreases in contract load do not occur as expected an adjusted customer contribution may be recalculated in accordance with Article 9.9.
- (c) The discount rate used in the present value calculation of Article 9.7(a) shall be determined in accordance with Article 9.14.

9.8 Changes to Project Costs

The cost estimate used in the calculation of project costs will be based on certain assumptions including, but not limited to, assumptions about the method of construction, the routing of facilities, and the approvals and rights of way required to

serve the Customer in accordance with the Customer's requests. In the sole opinion of the AESO, where a request for service is changed by a Customer or any assumptions are changed for reasons beyond the reasonable control of the AESO or the TFO, and a variance in the cost of the required facilities over the original estimate results, then:

- (a) subject to (b), where there is an increase in the Customer Contribution, this amount is immediately payable to the AESO, or
- (b) if feasible, the Customer and the AESO may modify the DTS System Access Service Agreement to adjust the contract term and/or the Contract Capacity, or
- (c) the Customer will have the right to cancel the request for service by paying to the AESO, and/or the TFO, all costs then incurred or required to be incurred to discharge the AESO, and/or the TFO, of all obligations and to satisfactorily cancel the request for System Access Service.

9.9 **Changes to Customer Contribution**

Certain material events may, in the AESO's sole opinion, result in an adjusted Customer Contribution and as appropriate, payments by the AESO to the Customer or by the Customer to the AESO. Either the Customer or the AESO may initiate a recalculation of the Customer Contribution at any time prior to the expiration of the twenty year refund period as set out in Article 9.10. The circumstances giving rise to contribution adjustments include, but are not limited to, those in which:

- (a) a Customer materially increases or decreases its Contract Capacity or contract term prior to the expiration of its original DTS System Access Service Agreement;
- (b) the actual Contract Capacities and/or incremental revenues turn out to be materially different, on a sustained basis, than originally projected;
- (c) a facility that had been classified as system-related under Article 9.3(c) is reclassified as Customer-related due to load growth or the addition of a new POC;
- (d) a material error is detected in the original calculation;
- (e) there is a material difference between the estimated costs of the project and the actual costs of the project;
- (f) the AESO subsequently deems that all or part of a Customer's Facilities have subsequently become system-related; or
- (g) the period of advancement as set out in Article 9.3(c) is materially reduced.

9.10 **Shared Facilities**

- (a) If the AESO installs facilities to serve a Customer that is required to pay a contribution, and then uses those facilities to serve other Customers within 20 years of their Commissioning, the AESO will adjust the original Customer's contribution and assess each of the new Customers a contribution, as follows:
 - (i) the DTS contract terms of the original and new Customers;
 - (ii) the Contract Capacities of the original and new Customers;

- (iii) the extent of shared facilities; and
- (iv) the time interval between the Commissioning of the original and new Customers.
- (b) If the interval described in (a)(iv) is not greater than five years, then the original Customer is eligible for the full amount of the adjustment. If the interval is greater than five years, then for the remaining 15 years the adjustment will be determined on a straight-line, declining-balance basis.
- (c) Commencing in year 11 any project whose remaining contribution adjustment is less than \$50,000 shall be deemed to have an adjustment balance of zero, and no further refunds shall be due.
- (d) An adjustment as described above will also apply to situations in which the AESO subsequently deems that all or part of an original Customer's facilities have become system-related.

9.11 Determination of System Contribution

- (a) In addition to the Customer Contribution determined in Articles 9.3 through 9.6, a Customer taking service under Rate STS is required to pay a System Contribution for:
 - (i) new STS Capacity requirements at a new Point of Supply, and
 - (ii) new STS Capacity requirements at an existing Point of Supply where such additional requirements are the result of the addition of a new Generating Unit.
- (b) The System Contribution is the sum of the following:
 - (i) \$10,000/MW multiplied by the amount of new STS Contract Capacity, plus
 - (ii) \$40,000/MW multiplied by the amount of new STS Contract Capacity multiplied by the Customer's System Contribution Factor. System Contribution Factors will be determined by the AESO for areas of the transmission system where generation exceeds load in accordance with Section 17 of the Transmission Regulation, and will be made publicly available by the AESO in advance of their effective dates.
- (c) System Contributions are not required for STS Capacity requirements for which a System Access Service Agreement was signed before January 1, 2006.

9.12 Refund of System Contribution

- (a) A Customer's System Contribution will be refunded to the Customer if the Customer's generating unit meets the ISO Rules regarding satisfactory annual performance, in accordance with the provisions of this Article 9.12.
- (b) The System Contribution will be refunded in annual amounts within a maximum of 10 calendar years following the date it was paid, but not before the planned Commercial Operation date of the generating unit. The planned Commercial Operation date is the date requested by the Customer and agreed to by the AESO at the time of payment of the System Contribution. The planned Commercial Operation date may be adjusted due to delays in

- the availability of System Access Service clearly attributable to matters for which the AESO or the TFO is reasonably accountable.
- (c) A base amount will be determined by dividing the System Contribution by the number of years in the “Refund Period”. The Refund Period is the period from January 1 following the planned Commercial Operation date of Article 9.12(b) to December 31 of the tenth calendar year after the System Contribution was paid.
 - (i) The annual amount in the first half of the Refund Period will be 50% of the base amount.
 - (ii) The annual amount in the last half of the Refund Period will be 150% of the base amount.
 - (iii) Where the Refund Period includes an odd number of calendar years, the annual amount in the mid-point year will be 100% of the base amount.
 - (d) If Commercial Operation of the generating unit is delayed for any reason beyond December 31 of the year of the planned Commercial Operation date of Article 9.12(b), then for each calendar year or fraction thereof during the Refund Period that Commercial Operation is delayed, the annual amount for that year or fraction thereof will be forfeited.
 - (e) For each calendar year or fraction thereof during the Refund Period in which the ISO Rules regarding satisfactory annual performance are met after Commercial Operation of the generating unit, the Customer will receive a refund of the annual amount determined in (c) for that year or fraction thereof. If the ISO Rules regarding satisfactory annual performance are not met, the annual amount for that year or fraction thereof will be forfeited.
 - (f) For each year of the Refund Period, the Customer must report the unit’s annual performance to the AESO by January 31 of the following year.
 - (g) For each year of the Refund Period where the Customer has reported annual performance and where the ISO Rules regarding satisfactory annual performance are met, the AESO will pay the System Contribution refund annual amount to the Customer by February 28 of the following year.

9.13 Limitations

The AESO reserves the right to exercise its discretion, acting reasonably, in the application of the contribution policy. Without limiting the generality of this discretion, the AESO may:

- (a) Determine costs to be system-related in certain circumstances that might, under strict application of the foregoing, have been classified as Customer-related.
- (b) Determine that a refund of a Customer Contribution or a System Contribution may not be given or that a refund may be deferred pending the attainment of certain specified conditions. Upon attainment of the specified conditions, the Customer may be eligible for a full or partial refund.

- (c) Determine that a refund of a Customer Contribution or a System Contribution must be returned to the AESO where it is demonstrated that an error was made or that an inappropriate refund was given.

9.14 Discount Rate

The discount rate applicable to payments due under this Article 9 will be determined as follows:

- (a) For unassigned transmission facilities, for transmission facilities supplied to the AESO by an investor owned Transmission Facility Owner or for facilities supplied to the AESO by an income tax paying municipally owned Transmission facility Owner:

$$[0.67 \times (\text{GCB} + 1\%)] + [(0.33 \times 8.93\%) \div (1 - T)]$$

where GCB is equal to the yield on 30-year Government of Canada bonds and T is equal to combined federal and provincial income tax rate for investor owned TFOs.

- (b) For transmission facilities supplied to the AESO by a non income tax paying municipally owned Transmission Facility Owner:

the yield on 30-year Government of Canada bonds plus 1.9 percent.

9.15 Miscellaneous

- (a) Where relocation of transmission facilities is required, the AESO will ensure that all reasonable costs in relocating any transmission facilities are paid for by the Customer.
- (b) Where new facilities between adjacent Control Areas are required, the cost of such facilities will be shared equally between the AESO and the party responsible for costs in the other Control Area.
- (c) The Customer must pay the cost of any Customer requested facilities that, in the sole opinion of the AESO, exceed the AESO Standard Facilities required to provide service to the Customer.

ARTICLE 10 DEMAND OPPORTUNITY SERVICE

10.1 Eligibility

To qualify for Demand Opportunity Service, the Customer must meet the commercial eligibility criteria and submit the required applications as set out in the Demand Opportunity Service Business Practices. The AESO must be satisfied that the Customer's use of the Demand Opportunity Service would not proceed on any other applicable rate.

10.2 Fees

In conjunction with the DOS Stage 2 application, which must be submitted at least 30 days prior to taking Demand Opportunity Service, the Customer must pay a non-refundable \$5,000 fee to the AESO for evaluation of the Customer's commercial eligibility for DOS.

10.3 Recallable Service

Demand Opportunity Service is recallable:

- (a) in accordance with the Rate Schedules;
- (b) in accordance with the provisions of Article 17; and
- (c) whenever sufficient transmission system capacity becomes temporarily or permanently unavailable.

10.4 Metered Energy

Any Metered Energy taken by the Customer in a Billing Period that exceeds the aggregate Metered Energy allowed under the Customer's Demand Opportunity Service System Access Service Agreements will be added to the Customer's DTS Metered Energy in the same Billing Period. Where the Customer has not executed a System Access Service Agreement for DTS services, the Customer will be deemed to have executed such an agreement effective with the beginning of the relevant Billing Period.

10.5 Effect of Disqualification

From time to time, the AESO may audit the Customer's eligibility for Demand Opportunity Service. If the AESO finds that the Customer no longer qualifies for Demand Opportunity Service, the Customer will be deemed to have executed an agreement for Non-Recallable Service effective on the date of disqualification and the AESO will terminate billing under a DOS Rate Schedule. The AESO may, in its sole discretion, recover retroactive amounts for the period during which such Customer did not qualify for, but was billed under, a DOS Rate Schedule.

ARTICLE 11 ANCILLARY SERVICES

11.1 General

Ancillary Services are provided by Customers when the AESO determines there is a need for such services to maintain system security and ensure the reliable operation of the Alberta Interconnected Electric System. Customers required by the AESO to provide Ancillary Services shall be directed to do so in accordance with AESO Operating Policies and Procedures and will be compensated as provided in Articles 11.2 – 11.7, as applicable.

11.2 Contracted Ancillary Services

If at the time the Customer is directed to provide Ancillary Services the Customer has an existing contract with the AESO to provide the Ancillary Services in question from the directed facility (the “Existing Contract”), then the amount to be paid to the Customer by the AESO for the Ancillary Services shall be determined according to the terms of the Existing Contract.

11.3 Directed Ancillary Services Other Than Transmission Must Run Services

If at the time the Customer is directed to provide an Ancillary Service other than TMR Service, the Customer does not have an Existing Contract, then the amount to be paid to the Customer by the AESO in respect of each Ancillary Service provided shall be the greater of the following monthly amounts. Each amount is the sum for the month of hourly compensation amounts.

- (a) The product of the MW hour directed and the highest price paid in the hour to Customers providing the same Ancillary Service pursuant to Article 11.2 and that the Existing Contract was the result of a competitive process conducted in the prior 12 months; or
- (b) The verifiable net opportunity cost related to foregone electricity sales incurred by the Customer to supply the directed Ancillary Service, taking into account offsetting pool energy receipts.

11.4 Transmission Must Run Services

TMR Services are Ancillary Services provided by Customers with generating units in response to a direction provided by the AESO to ensure safe and reliable electrical service for a region of the Alberta Interconnected Electric System.

TMR Services are Foreseeable if the AESO, taking into account reasonable procurement timing requirements, determines TMR Services are required to meet AESO Transmission Reliability Criteria which includes consideration of expected operating conditions and planned transmission outages. TMR Services are Unforeseeable TMR Services if they do not constitute Foreseeable TMR Services.

11.5 Arrangements and Compensation for Foreseeable TMR Services

Arrangements and compensation for Foreseeable TMR Services will be made in accordance with the Foreseeable TMR Service Procurement Procedure (Appendix D).

11.6 Compensation for Unforeseeable TMR Services

If at the time the Customer is directed to provide Unforeseeable TMR Service the Customer does not have an Existing Contract, then the amount to be paid to the Customer in the applicable Billing Period for Unforeseeable TMR Service is equal to Variable Costs plus Fixed Costs, where:

- (a) Variable Costs means the hourly difference of the pool price subtracted from the Energy Price, which shall not be less than zero, multiplied by the corresponding hourly energy generated (MW.h) by the specific directed generating unit in compliance with the directive to provide Unforeseeable TMR Service, where:
 - (i) Energy Price (\$/MW.h) is the product of the Heat Rate multiplied by the Fuel Cost, added to the sum of the Variable STS Charges and Variable O&M Charge.
 - (ii) Heat Rate (GJ/MW.h) is the actual heat rate of the Customer's generating unit during the period when the unit was complying with the directive.
 - (iii) Fuel Cost for a gas generating unit is the natural gas market price (\$/GJ), being the "Daily Spot Price at AECO-C and NIT", excluding weekends, as published in the Canadian Gas Price Reporter, for natural gas on the applicable day. The Fuel Cost for a coal generating unit shall be provided by the Customer.
 - (iv) Variable STS Charges (\$/MW.h) is the actual cost of all variable charges from Rate Schedule STS of the AESO Tariff, including the applicable loss factor charge or credit.
 - (v) Variable O&M Charge (\$/MW.h) is the all-in cost (including major/minor overhauls), fixed at \$4/MWh, of providing incremental output from the unit, excluding Fuel Costs and Variable STS charges.
- (b) Fixed Costs are equal to the Average Monthly Fixed Cost multiplied by the greater of the Must Run Ratio (MRR) or the Minimum MRR, where:
 - (i) Average Monthly Fixed Cost is equal to one-twelfth of the sum of the annual costs in items (A) through (H) as follows:

- (A) annual amortization and depreciation amounts for the Customer's investment or for the PPA acquisition cost related to the specific directed generating unit, consistent with amounts reported in the Customer's audited financial statements, and adjusted for cogeneration infrastructure not utilized for generation purposes;
- (B) the product of the unamortized or undepreciated capital investment (UCI) multiplied by a deemed debt percentage of 70% and multiplied by a debt interest rate that is equal to the current 10-year Government of Canada Bond interest rate plus 0.5%, and where UCI is the greater of
 - (1) the Customer's initial cost of property, plant, and equipment for the specific directed generating unit, or the Customer's initial PPA acquisition cost related to the specific directed generating unit, less accumulated depreciation or amortization, as the case may be, related to the specific directed generating unit; or
 - (2) 25% of the Customer's initial cost of property, plant, and equipment for the specific directed generating unit, or the Customer's initial PPA acquisition cost related to the specific directed generating unit.
- (C) the product of UCI, as described in (B) above, multiplied by a deemed 30% common equity percentage of capital structure multiplied by a deemed 12% rate of return on equity;
- (D) if the Customer provides verifiable actual values for the items in both (B) and (C) then those will be used instead of the deemed values;
- (E) the product of the tax rates multiplied by the rate of return on equity amount determined in (C), where income tax costs reflect the marginal income tax rates for both federal and provincial portions of income tax;
- (F) total annual direct fixed operation and maintenance costs associated with the specific directed generating unit;
- (G) total annual direct fixed fuel costs associated with the specific directed generating unit; and

- (H) fixed charges from applicable PPAs associated with the specific directed generating unit.
- (ii) Must Run Ratio (MRR) is the ratio of the number of hours in the month when Unforeseeable TMR Services were provided to the total number of hours in the month;
- (iii) Minimum MRR is:
 - (A) 12% for the first or second Unforeseeable TMR Service Event within a rolling 12-month period in which TMR Service is directed by the AESO;
 - (B) 20% for the third Unforeseeable TMR Service Event within a rolling 12-month period in which TMR Service is directed by the AESO;
 - (C) 30% for the fourth Unforeseeable TMR Service Event within a rolling 12-month period in which TMR Service is directed by the AESO;
 - (D) 40% for the fifth Unforeseeable TMR Service Event within a rolling 12-month period in which TMR Service is directed by the AESO; or
 - (E) 50% for the sixth or any additional Unforeseeable TMR Service Event within a rolling 12-month period in which TMR Service is directed by the AESO.

If there is more than one Unforeseeable TMR Service Event in a Billing Period, the Minimum MRR shall be the highest applicable percentage described in (A) through (E) above.

In lieu of the Variable and Fixed Costs in (a) and (b) above, if a Customer can demonstrate foregone future energy sales due to a TMR directive, then the verifiable net opportunity cost related to foregone electricity sales incurred by the Customer to supply the directed TMR Service, taking into account offsetting pool energy receipts. This applies only to Customers that have responded to a TMR direction from using hydroelectric generation units.

11.7 **Maximum TMR Services Compensation**

The maximum monthly amount to be paid by the AESO for TMR Service results in the recovery of fixed, operating and maintenance costs, including a reasonable rate of return for the service provider, and is equal to the Average Monthly Fixed Cost plus Variable Costs as provided for in Article 11.6.

11.8 Invoicing

Customers that provide Unforeseeable TMR Service in response to a direction from the AESO will submit an invoice to the AESO within 15 business days after the later of (i) the end of the month in which the service was provided or (ii) the coming into effect of this Article 11. The amount of the invoice shall be determined in accordance with the method in 11.6 of this Article, and will separately itemize the values used for each component specified (Fixed and Variable Costs).

11.9 Audit Rights

The AESO has the right to audit Customer's invoices and source information related thereto for TMR Services, provided that any such audit is (i) conducted only on reasonable prior notice to the Customer, (ii) conducted on the Customer's premises during normal business hours, (iii) not conducted by, or the information gathered made available to, those persons at the AESO that determine Contestability for purposes of the AESO procuring TMR competitively, (iv) conducted subject to Article 20 of this Tariff, and that (v) no copies of records reviewed during the audit shall be made without the Customer's prior written consent.

ARTICLE 12 UNDER-FREQUENCY LOAD SHEDDING

12.1 Requirement to Supply

From and after the effective date of the Tariff, certain Customers may be eligible and required to provide under-frequency load shedding. The provisions with respect to those requirements, and the credits therefore, are set out in Rate Schedule Under-Frequency Load Shedding (UFLS).

12.2 Effect of Non-Compliance

Failure by any Customer to whom UFLS applies to comply with the requirements thereof may cause the AESO to, at its sole discretion, withhold, limit or discontinue System Access Service to such Customer. Nothing in this paragraph affects or derogates from the right of the WECC to levy penalties or the obligation of the Customer, if any, to pay such penalties as a result of failure to provide Under-Frequency Load Shedding to the AESO.

ARTICLE 13 CONTRACT CAPACITY ALLOCATION

13.1 Available Capacity

- (a) The AESO will Allocate Planning Capacity for a new or expanding POC according to available AIES capacity as of the date the AESO receives an application for System Access Service, as set out in Article 5. The AESO will inform the Customer of any AIES constraints in respect of a new or expanding POC.
- (b) For the purposes of this Article 13, "Allocate Planning Capacity" means that the AESO will assign Planning Capacity to a project for planning purposes and project work priority as of the date set out in paragraph (a), above.

13.2 Requirement of Customer to Act

- (a) The AESO, acting reasonably, may establish critical milestones with respect to project completion and may agree with the Customer on such milestones.
- (b) For STS customers, milestones will include but not be limited to payment of the System Contribution determined under Article 9.11:
 - (i) within 90 days after EUB approval of the local interconnection facilities required to facilitate the interconnection of the STS Capacity; or
 - (ii) if construction of local interconnection facilities is not required to facilitate the interconnection of the STS Capacity at an existing POS, within 90 days after execution of an amended System Access Service Agreement for the POS.
- (c) If the Customer fails to meet such milestones, the AESO may:
 - (i) cancel, and require the Customer to resubmit, the Customer's application for System Access Service;
 - (ii) re-Allocate the subject Planning Capacity to another applicant whose System Access Service application date is later than the Customer's application date determined in Article 13.1(a); or
 - (iii) proceed, with no modification to the Allocated Planning Capacity, with the Customer's original application for System Access Service on the basis of amended milestones, as agreed by the AESO.

13.3 Limit to Contract Capacity

The Contract Capacity for a new POS established by the AESO may not exceed the sum of the MCR of all generators connected to the AIES by the new POS less the sum of all gross loads that offset the energy delivered to the AIES from that POS under normal operating conditions.

13.4 Increase of Contract Capacity

In the event that a Customer desires to increase the Contract Capacity at an existing POD or POS, the Customer must execute an amended System Access Service Agreement. If new facilities or upgrades are required to provide the new service or to

provide the amended service level, the requirements for a Customer Contribution and Security will apply.

13.5 Metered Demand Limitations

- (a) Subject to paragraphs (b) and (c), the Metered Demand for a Customer taking service under Rate Schedule DTS or Rate Schedule STS shall not exceed the lesser of:
- (i) the Rated Capacity of any transmission facilities comprising its interconnection; or
 - (ii) the Physical Capacity of any transmission facilities comprising its interconnection.

In the event the foregoing is not complied with, the AESO shall have the right to discontinue the applicable System Access Service until the Customer installs equipment to limit its Metered Demand.

- (b) A DTS Customer may temporarily exceed the level stipulated in subparagraph 13.5(a)(i) only where it has in place a System Access Service Agreement for an Opportunity Service at the applicable POD.
- (c) Subject to paragraph 13.3, an STS customer may temporarily exceed the level stipulated in subparagraph 13.5(a)(i), with the AESO's consent obtained on a minimum twenty-four hours' notice, provided that the AESO determines that the transmission system can safely accommodate the proposed energy without risk of disturbance to other AESO customers.

ARTICLE 14 REDUCTIONS OR TERMINATION OF CONTRACT CAPACITY

14.1 Eligibility

In the event that a Customer desires to reduce the Contract Capacity at an existing POD or POS, the Customer must execute an amended System Access Service Agreement and pay any associated Customer Contribution, as determined by the AESO.

14.2 Notice to Reduce

Reductions of Contract Capacity at a POD or a POS will be made five years after receipt of written notice from the Customer. The Contract Capacity immediately following the five year notice period will be the maximum of:

- (a) the pre-notice Contract Capacity less the reduction of Contract Capacity requested by the Customer; or
- (b) the highest Metered Demand during the five year notice period less the reduction of Contract Capacity requested by the Customer.

Separate written notice must be provided for increases and reductions of Contract Capacity at each respective POD and POS at a single transmission station; no net reductions will be accepted or effected.

14.3 Termination

Customers that wish to terminate their System Access Service Agreements may choose to pay out the Contract Capacity as a lump sum payment.

14.4 Review of STS Contract Capacity

At least once per year, the AESO will review the Contract Capacity of STS customers. The AESO may reduce a customer's STS Contract Capacity to:

- (a) The mean metered power delivered to the AIES in the preceding twelve (12) months; or
- (b) For low capacity factor generators, the mean metered power delivered to the AIES over recurrent periods that are shorter than twelve (12) months, as determined by the AESO

if such deliveries are more than 10% below the existing Contract Capacity or as mutually agreed between the Customer and the AESO.

14.5 Regulated Generating Units

- (a) System Access Service Agreements between the AESO and Customers who operate Regulated Generating Units will terminate on the PPA Effective Date, with the exception of Regulated Generating Units that are not sold at the PPA auction and the Regulated Hydro Generating Units outlined in Appendix B.
- (b) System Access Service Agreements with an effective date after the PPA Effective Date between the AESO and Customers who operate Regulated Generating Units or who have entered into a Power Purchase Arrangement with the owner of a Regulated Generating Unit will terminate at the end of the



base life year of the Regulated Generating Unit as outlined in Appendix B with the exception of the following Regulated Generating Units listed below:

- (i) Rossdale Units 8, 9 and 10's deemed base life year shall be 2003;
and
- (ii) Rainbow Units 1, 2 and 3's deemed base life year shall be 2005.

ARTICLE 15 FINANCIAL SECURITY, BILLING, AND PAYMENT TERMS

15.1 Credit Requirements

- (a) The Customer must comply with the AESO's financial security requirements. Prior to receiving service, the Customer must provide the AESO with all financial information that the AESO reasonably requests in order to establish the financial security required from the Customer.
- (b) If requested by the AESO, the Customer must provide financial security in an amount of up to three months' payment in advance for System Access Service. The amount of the financial security will be estimated by the AESO at its sole discretion based on the Customer's historic use or on an estimate where actual use is not available. Such security must be in a form satisfactory to the AESO including but not limited to a guarantee, cash deposit, or an irrevocable letter of credit from a Canadian Chartered Bank, credit union, trust company, or other financial institution with a minimum senior unsecured long-term debt A- credit rating or equivalent as determined by Standard & Poor's or equivalent credit rating agency.
- (c) The AESO may request, at its sole discretion, at any time after initial granting of service, additional or replacement security based on the AESO's estimate of the appropriate security required. Required additional or replacement security must be provided to the AESO within two business days of such request. Customers must report any event of default for borrowed funds or material adverse changes in their financial position to the AESO within two business days of such event.

15.2 Effect of Non-Compliance

If the Customer fails to provide adequate security as required by Article 15.1, the AESO may immediately withhold or suspend the Customer's System Access Service. Any such withholding or suspension will not relieve the Customer from its obligation to pay any rate, charge or other amount that has accrued, or is accruing, to the AESO.

15.3 Billing Procedures

- (a) The AESO issues Statements of Account which may include:
 - (i) amounts determined on an initial basis in the month following energy flow and no later than fifteen (15) Business Days after the end of the Billing Period;
 - (ii) amounts determined on an interim basis in the third month following energy flow; and
 - (iii) amounts determined on a final basis in the seventh month following energy flow.
- (b) From time to time the AESO may review a Statement of Account issued in accordance with Article 15.3(a) and may issue a new Statement of Account following that review.

- (c) The AESO may choose not to issue Statements of Account on an interim or final basis that result in a charge or refund of less than \$1,000.
- (d) The AESO may use estimated values to produce a Statement of Account when Metered Demand or Metered Energy data is not available or is incomplete, when Metering Equipment fails, or when the data is under Dispute. The AESO may also use estimated values to produce a Statement of Account if the AESO's billing and settlement system is unable to produce a Statement of Account. In the event that a Statement of Account is based on estimated values, an adjustment will be made on a subsequent Statement of Account issued in accordance with Article 15.1(a) or 15.1(b) to reflect the use of actual or more appropriate estimated values.
- (e) The AESO may, but is not required to, deduct from the Statements of Account any amounts owing by the AESO to the Customer or its Affiliates.

15.4 **Totalized Billing**

Effective January 1, 2002, where a Customer is an industrial facility with multiple POCs, the AESO may totalize the POCs and produce one Statement of Account for the Customer. The AESO will base its decision to totalize on a review of the economics of providing more than one POC, reclassification of the site as an EUB designated industrial system, or the existence of a credible transmission bypass alternative.

15.5 **Adjustments**

When a Customer requests that a Statement of Account issued in accordance with Article 15.3 be recalculated and reissued forty-five (45) days or more after end of the applicable billing period as a result of:

- (i) unavailable or incomplete meter data, or
- (ii) inaccurate estimates of meter data,
- (iii) reconciliation with updated estimates of meter data,

the AESO will recover the cost of recalculating and reissuing the affected Statement of Account from the Customer taking service from the relevant Metering Equipment. The Customer must pay to the AESO \$1,000 for each recalculated and reissued Statement of Account.

15.6 **Request for Billing Data**

Data required to verify any billing information provided by the AESO may be made available to Customers during regular business hours and the Customer will be responsible to pay for all of the costs of retrieval and provision of the data.

15.7 **Payment Terms**

Notwithstanding any unresolved Dispute between the AESO and the Customer, the Customer must pay the entire amount due, as shown on the Statement of Account, no later than the twentieth Business Day after the end of the Billing Period. Payment must be made by way of electronic funds transfer or wire transfer to the bank account specified by the AESO.



15.8 Payment Charge

Late payments by the Customer are subject to a late payment charge of 1.5% per month for each month or part thereof for which such payment is late. The AESO will also assess the defaulting Customer for all administrative and collection costs relating to the recovery by the AESO of amounts owed. The AESO, at its sole discretion, may suspend System Access Service and realize upon any security provided by the defaulting Customer if the Customer is not in compliance with Article 15.7 in full or partial satisfaction (as the case may be) of all amounts owing to the AESO. System Access Service to the Customer will not be re-instated until the Customer has paid all amounts owing to the AESO in full and has restored or secured its credit facility in a manner satisfactory to the AESO, at the AESO's sole discretion.

ARTICLE 16 PEAK METERED DEMAND WAIVER

16.1 Peak Metered Demand Waivers

The AESO may, in its sole discretion, waive Metered Demand for the purposes of calculating the Billing Capacity when the Metered Demand was caused by one of the following.

- (a) For all Customers:
 - (i) Commissioning;
 - (ii) activities required to repair and maintain transmission facilities;
 - (iii) an event of Force Majeure;
 - (iv) compliance with a Dispatch Instruction from the AESO during an Emergency; or
 - (v) load restoration activities following an outage of transmission or distribution facilities or caused by an Emergency on the transmission system.
- (b) In addition for Distributors, pre-scheduled activities required to maintain distribution facilities, provided the Customer has furnished the AESO with written notice at least twenty-four hours in advance of such activities, including reasonable detail describing the type of maintenance and the duration and extent of Metered Demand required to accommodate such activities.

ARTICLE 17 SERVICE INTERRUPTIONS AND FORCE MAJEURE

17.1 **Service Not Guaranteed**

Although precautions are taken to guard against System Access Service interruptions, the AESO does not guarantee uninterrupted System Access Service. The AESO specifically does not guarantee uninterrupted System Access Service in respect of interruptions caused by:

- (a) scheduled or planned facility maintenance activities;
- (b) construction, commissioning and facility testing activities;
- (c) unscheduled or unplanned events (such as, but not limited to, emergency equipment maintenance and Emergencies);
- (d) Force Majeure;
- (e) breaches of obligations owed to the AESO by its suppliers or Customers; or
- (f) as otherwise expressly allowed by a Rate Schedule.

Whenever System Access Service has been interrupted, diminished or reduced for reasons other than a breach of this Tariff by the Customer, the AESO will make all reasonable efforts to ensure that service is restored as soon as practicable after the interruption, diminution or reduction.

17.2 **Interruptions for Construction, Commissioning, and Facility Testing**

The AESO will make all reasonable efforts to schedule construction, commissioning, or facility testing activities in conjunction with affected Customers planned downtime but may, upon six months written notice, interrupt Customers' System Access Service to perform such activities.

17.3 **Continued Obligations**

The Customer's obligations to pay for System Access Service, to provide information, and to maintain Interconnection Requirements are not affected during, or as the result of, any event of Force Majeure or other System Access Service interruption expressly contemplated under this Tariff.

ARTICLE 18 LIMITATION OF LIABILITY

18.1 **Limitation of Liability**

Notwithstanding anything to the contrary contained in these Terms and Conditions, no action lies against an AESO Person, and an AESO Person is not liable for any act or omission carried out or purportedly carried out in performing its obligations under this Tariff ("AESO Tariff Act") unless such AESO Tariff Act constitutes willful misconduct, negligence, breach of contract or, if the AESO Tariff Act is carried out by an AESO Person who is an individual, if such act is not carried out in good faith. If an AESO Person is liable to another person for an AESO Tariff Act, then the AESO Person is liable for only Direct Loss or Damage suffered or incurred by that other person.

ARTICLE 19 DISPUTE RESOLUTION

19.1 **Initiation of Disputes**

Disputes must be submitted, in writing, to the other party in a timely fashion, and clearly set out the subject of the Dispute including:

- (a) a description of the items under dispute,
- (b) the rationale for the Dispute, and
- (c) the time period over which the disputed items occurred.

19.2 **Continued Obligation**

Disputes will be referred to a senior officer from each of the AESO and the relevant Customer for resolution. Pending resolution of any Dispute, the AESO and the Customer will continue to perform their respective obligations under this Tariff.

19.3 **Arbitration**

If the Dispute has not been resolved within thirty (30) days after referral to the senior officers, either the AESO or the Customer may require, by written notice, that the Dispute be resolved through arbitration. The AESO shall advise the EUB of any matter going to arbitration within thirty days of the matter being referred to arbitration. The parties shall appoint a mutually satisfactory arbitrator within ten days of the notice to resolve the Dispute through arbitration. In the event that the parties cannot agree on a single arbitrator within ten (10) days, each party shall appoint an arbitrator within ten days thereafter by written notice, and the two arbitrators shall together appoint a third arbitrator. In the event that a tribunal is required, the third arbitrator shall be appointed within twenty (20) days of written notice for arbitration. The arbitrator or tribunal shall render a decision within thirty days of the last appointment. The AESO shall advise the EUB of the results of the arbitration within thirty days of the Arbitrator's decision. The AESO shall also furnish the EUB with a list of parties potentially affected by the results of the arbitration. The arbitration shall be conducted in accordance with the Arbitration Act (Alberta), as amended from time to time. In the event of a conflict between these Terms and Conditions and the Arbitration Act, these Terms and Conditions shall prevail.

Any interested party adversely and unduly affected by the decision of an arbitrator or a tribunal is entitled to make an application to the EUB requesting a clarification or change to these Terms and Conditions.

ARTICLE 20 CONFIDENTIALITY

20.1 Use of Confidential Information

The AESO,

- (a) shall not disclose the Confidential Information to any person except as permitted under this Tariff;
- (b) shall only use or reproduce the Confidential Information for the purpose for which it was disclosed or another purpose contemplated in this Tariff;
- (c) shall not permit unauthorized persons to have access to the Confidential Information; and
- (d) shall only disclose the Confidential Information to those Representatives who need to know the information and have been informed of the confidential nature of the Confidential Information.

20.2 Exceptions

Exceptions to the AESO's confidentiality obligations stated in Article 20.1 may be made:

- (a) if the relevant information is at the time generally and publicly available other than as a result of breach of confidence by the AESO;
- (b) if the person or persons who provided the relevant information consents to its disclosure, use, or reproduction;
- (c) to the extent the Confidential Information:
 - (i) must be disclosed by law to any agent, government or governmental body, authority or agency having jurisdiction over the AESO;
 - (ii) must be disclosed to the AESO for the purposes of the AESO fulfilling its duties under the Act; and
 - (iii) must be disclosed to a TFO for the purposes of the AESO fulfilling its duties under the Act. All information provided to a TFO shall be subject to the confidentiality provisions in the TFO's Terms and Conditions of service.
- (d) if required in connection with legal proceedings, arbitration, or other dispute resolution mechanism relating to this Tariff;
- (e) if required to protect the safety of personnel or equipment, or to protect the reliability of the AIES; or
- (f) if the relevant information is an unidentifiable component of an aggregate of information.

20.3 Requests for Disclosure

In the case of a request or demand for disclosure under Article 20.2(c)(i) or Article 20.2(d), the AESO will provide notice to those affected by the request or demand as soon as reasonably practicable, so as to afford the opportunity to challenge such request or demand or seek injunctive relief or protection from the request or demand.



20.4 Customer Obligations

No provision of this Tariff obligates the Customer to treat its own information and agreements with the AESO as confidential.

ARTICLE 21 MISCELLANEOUS

21.1 **Binding on the ISO**

Each respective System Access Service Agreement executed by the AESO hereunder will be binding on any subsequent ISO for the length of its term.

21.2 **Assignment**

A Customer may assign its System Access Service Agreement or any rights thereunder to another Customer who is qualified for the service available under such agreement, but only with the consent of the AESO, such consent not to be unreasonably withheld. In the event an STS or DTS contract has been assigned, all rights and obligations associated with the service, including any and all retrospective adjustments due to deferral account reconciliation or any other adjustments will be applied to the account of the assignee.

21.3 **Compliance With the AESO Directives**

Customers must comply with dispatches and directives of the AESO which are required for performance of Customers' obligations hereunder in real-time, including, without limitation, those related to Interconnection Requirements and provision of Ancillary Services.

21.4 **Notifications**

All notices given or served upon the AESO in accordance with this Tariff must be in writing and marked "Important" and given by personal service, telefax or by registered letter addressed to:

AESO
Attention: Manager, Customer Relations
2500, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4
Fax (403) 539-2949

All notices given or served upon the Customer in accordance with this Tariff must be in writing served by personal service, registered letter or telefax and sent to the address or addresses shown for such Customer in the relevant System Access Service Agreement.

21.5 **SPRDA Generating Units**

Generating Units constructed under the Small Power Research and Development Act (Alberta) ("SPRDA") are exempt from the provisions of Rate Schedule STS to the extent the volume of energy sales are conducted under contracts specifically executed pursuant to the provisions of the SPRDA.

APPENDIX A METERING EQUIPMENT INFORMATION

1. For each POS Meter:
 - (a) Company identification
 - (b) Meter type identification
 - (c) Meter serial number
 - (d) Date meter installed
 - (e) Date meter removed
 - (f) Number of elements
 - (g) Manufacturer
 - (h) Model
 - (i) Measurement Canada approval
 - (j) Past test dates
 - (k) Past results (pass/fail information only)
 - (l) Planned test dates

2. For each POS meter recorder:
 - (a) Record identification
 - (b) Recorder type
 - (c) Serial number
 - (d) Date installed
 - (e) Date removed
 - (f) Manufacturer
 - (g) Model
 - (h) Measurement Canada approval
 - (i) Past test dates
 - (j) Past results (pass/fail information only)
 - (k) Planned test dates

3. For each Current Transformer associated with POS metering:
 - (a) Company identification
 - (b) Transformer type
 - (c) Serial number
 - (d) Date installed
 - (e) Date removed
 - (f) Phase location
 - (g) Ratio
 - (h) Accuracy
 - (i) Manufacturer
 - (j) Model
 - (k) Measurement Canada approval



4. For each Potential Transformer associated with POS metering:
 - (a) Company identification
 - (b) Transfer type
 - (c) Serial number
 - (d) Date installed
 - (e) Date removed
 - (f) Phase location
 - (g) Ratio
 - (h) Accuracy
 - (i) Manufacturer
 - (j) Model
 - (k) Measurement Canada approval

**APPENDIX B
REGULATED GENERATING UNITS**

Generating Unit	Owner	Type of Plant	Base Life
Barrier #1	TAU	Hydro	2013
Battle River #3	AE	Coal-fired thermal	2009
Battle River #4	AE	Coal-fired thermal	2009
Battle River #5	AE	Coal-fired thermal	2021
Bearspaw #1	TAU	Hydro	2013
Bighorn #1	TAU	Hydro	2032
Bighorn #2	TAU	Hydro	2032
Brazeau #1	TAU	Hydro	2025
Brazeau #2	TAU	Hydro	2025
Cascade #1	TAU	Hydro	2013
Cascade #2	TAU	Hydro	2013
Clover Bar #1	EPGI	Gas-fired thermal	2010
Clover Bar #2	EPGI	Gas-fired thermal	2010
Clover Bar #3	EPGI	Gas-fired thermal	2010
Clover Bar #4	EPGI	Gas-fired thermal	2010
Genesee #1	EPGI	Coal-fired thermal	2029
Genesee #2	EPGI	Coal-fired thermal	2029
Ghost #1	TAU	Hydro	2013
Ghost #2	TAU	Hydro	2013
Ghost #3	TAU	Hydro	2013
Ghost #4	TAU	Hydro	2013
Horseshoe #1	TAU	Hydro	2013
Horseshoe #2	TAU	Hydro	2013
Horseshoe #3	TAU	Hydro	2013
Horseshoe #4	TAU	Hydro	2013
H.R. Milner	AE	Coal-fired thermal	2012
Interlakes #1	TAU	Hydro	2013
Kananaskis #1	TAU	Hydro	2013
Kananaskis #2	TAU	Hydro	2013
Kananaskis #3	TAU	Hydro	2013
Keephills #1	TAU	Coal-fired thermal	2023
Keephills #2	TAU	Coal-fired thermal	2023

Pocaterra #1	TAU	Hydro	2013
Rainbow #1	AE	Gas turbine	2005
Rainbow #2	AE	Gas turbine	2005
Rainbow #3	AE	Gas turbine	2005
Rossdale #8	EPCI	Gas-fired thermal	2000
Rossdale #9	EPCI	Gas-fired thermal	2000
Rossdale #10	EPCI	Gas-fired thermal	2000
Rundle #1	TAU	Hydro	2013
Rundle #2	TAU	Hydro	2013
Sheerness #1	AE/TAU	Coal-fired thermal	2026
Sheerness #2	AE/TAU	Coal-fired thermal	2026
Spray #1	TAU	Hydro	2013
Spray #2	TAU	Hydro	2013
Sturgeon #1	AE	Gas turbine	1998
Sturgeon #2	AE	Gas turbine	1998
Sundance #1	TAU	Coal-fired thermal	2010
Sundance #2	TAU	Coal-fired thermal	2010
Sundance #3	TAU	Coal-fired thermal	2020
Sundance #4	TAU	Coal-fired thermal	2020
Sundance #5	TAU	Coal-fired thermal	2020
Sundance #6	TAU	Coal-fired thermal	2020
Three Sisters #1	TAU	Hydro	2013
Wabamun #1	TAU	Coal-fired thermal	2003
Wabamun #2	TAU	Coal-fired thermal	2003
Wabamun #3	TAU	Coal-fired thermal	2003
Wabamun #4	TAU	Coal-fired thermal	2003



APPENDIX C
SYSTEM ACCESS SERVICE AGREEMENT PROFORMAS

System Access Service Agreement — Demand Transmission Service
System Access Service Agreement — Supply Transmission Service
System Access Service Agreement — Import Service
System Access Service Agreement — Export Service
Construction Commitment Agreement



SYSTEM ACCESS SERVICE AGREEMENT DEMAND TRANSMISSION SERVICE

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO's Tariff).

1.0 TYPE OF SERVICE

Service under this Agreement shall be provided pursuant to Rate Schedule Demand Transmission Service (DTS).

2.0 POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

- a) Point of Delivery (POD): The POD shall be **Substation Name and Number**
- b) Location: **LSD: xx-xx-xx-WxM**

3.0 CONTRACT CAPACITY

xx MW Dates

4.0 COMMISSIONING PERIOD FOR NEW FACILITIES, IF ANY:

N/A

5.0 EFFECTIVE DATE

1 day of month

This agreement supercedes and replaces, as of the Effective Date, any DTS agreement for this POD at **Substation Name and Number**

6.0 CUSTOMER CONTRIBUTION

The Customer Contribution charge estimated to be \$NIL. This amount has been received by the AESO.

Minimum Term 5 years. The Customer Contribution and/or Minimum Term are subject to change based on final costs.

7.0 RATES AND TERMS OF SERVICE

The supply of System Access Service pursuant to this Agreement, and the Customer's obligations with respect to connection and supply of System Support Services, shall be subject to the AESO's Tariff, in particular to the Rate Schedule referenced under Paragraph 1.



SYSTEM ACCESS SERVICE AGREEMENT SUPPLY TRANSMISSION SERVICE

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO's Tariff).

1.0 TYPE OF SERVICE

Service under this Agreement shall be provided pursuant to Rate Schedule Supply Transmission Service (STS).

2.0 POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

- c) Point of Delivery (POS): The POS shall be **Substation Name and Number**
- d) Location: **LSD: xx-xx-xx-WxM**

3.0 CONTRACT CAPACITY

xx MW Dates

4.0 COMMISSIONING PERIOD FOR NEW FACILITIES, IF ANY:

N/A

5.0 EFFECTIVE DATE

1 day of month

This agreement supercedes and replaces, as of the Effective Date, any STS agreement for this POS at **Substation Name and Number**

6.0 CUSTOMER & SYSTEM CONTRIBUTION

The Customer Contribution charge estimated to be \$NIL. This amount has been received by the AESO.

Minimum Term 5 years. The Customer Contribution and/or Minimum Term are subject to change based on final costs.

7.0 RATES AND TERMS OF SERVICE

The supply of System Access Service pursuant to this Agreement, and the Customer's obligations with respect to connection and supply of System Support Services, shall be subject to the AESO's Tariff, in particular to the Rate Schedule referenced under Paragraph 1.



8.0 NOTICES

Notices sent to the Customer pursuant to this Agreement shall be as follows:

Invoices: Attention: _____
 Address: _____

 Tel: _____
 Fax: _____
 Email: _____

All other notices: Attention: _____
 Address: _____

 Tel: _____
 Fax: _____
 Email: _____

By executing in the space below, the Customer and the AESO agree to the foregoing provisions.

**Independent System Operator, operating
as AESO**

Per: _____ Date: _____

Customer Name

Per: _____ Date: _____
Name: _____
Title: _____

Per: _____ Date: _____
Name: _____
Title: _____



**SYSTEM ACCESS SERVICE AGREEMENT
IMPORT SERVICE**

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO's Tariff).

1. TYPE OF SERVICE

Service under this Agreement shall be pursuant to Rate Schedule Import Opportunity Service (IOS).

2. POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

British Columbia Intertie Saskatchewan Intertie

3. EFFECTIVE DATE

_____ 1, 200_

4. TERM

1 Year

5. RATES AND TERMS OF SERVICE

The supply of System Access Service under this Agreement, shall be pursuant to the AESO's Tariff, in particular to the Rate Schedule referenced under Paragraph 1.

Market Access is contingent upon receipt of an executed System Access Service Agreement.



6. NOTICES

Notices sent to the Customer pursuant to this Agreement shall be as follows:

Invoices: Attention: _____
 Address: _____

 Tel: _____
 Fax: _____
 Email: _____

All other notices: Attention: _____
 Address: _____

 Tel: _____
 Fax: _____
 Email: _____

By executing in the space below, the Customer and the AESO agree to the foregoing provisions.

Independent System Operator, operating as AESO

Per: _____ Date: _____

Customer Name

Per: _____ Date: _____
Name: _____
Title: _____

Per: _____ Date: _____
Name: _____
Title: _____



**SYSTEM ACCESS SERVICE AGREEMENT
EXPORT SERVICE**

Date of Issue:

The following constitute the terms pursuant to which the Independent System Operator, operating as AESO shall provide System Access Service to the Customer. (Defined terms used herein without definition shall have the meanings ascribed thereto in the Terms and Conditions of the AESO's Tariff).

1. TYPE OF SERVICE

Service under this Agreement shall be pursuant to Rate Schedule Export Opportunity Service (EOS).

2. POINT OF INTERCONNECTION WITH THE TRANSMISSION SYSTEM

British Columbia Intertie Saskatchewan Intertie

3. EFFECTIVE DATE

_____ 1, 200_

4. TERM

1 Year

5. RATES AND TERMS OF SERVICE

The supply of System Access Service under this Agreement, shall be pursuant to the AESO's Tariff, in particular to the Rate Schedule referenced under Paragraph 1.

Market Access is contingent upon receipt of an executed System Access Service Agreement.



CONSTRUCTION COMMITMENT AGREEMENT

THIS AGREEMENT is effective on [January 1, 2004] (the “**Effective Date**”)

BETWEEN:

INDEPENDENT SYSTEM OPERATOR, operating as AESO, a body corporate with offices in the City of Calgary, in the Province of Alberta (“**AESO**”)

-and-

[Customer Legal Name], a body corporate incorporated pursuant to the laws of Alberta (the “**Customer**”)

6 INTRODUCTION

1. The Customer has requested System Access Service from the AESO and intends to enter into a/amend its system access service agreement between the Customer and the AESO (the “**System Access Agreement**”) in relation to the Customer’s capacity requirements for the **[Project] – RP-05-[000]**. The granting/amendment of system access service to the Customer will necessitate the construction of new transmission facilities and a commitment by the AESO in relation to the expenditure of capital for such construction.
2. Upon execution of this Construction Commitment Agreement, the AESO shall begin implementing plans to complete the project set out in Schedule “A” attached hereto (the “**Proposed Project**”). Both the AESO and its contractors must be held harmless from any negative financial consequences emanating from a decision by the Customer to discontinue, postpone or cancel the Proposed Project.

7 AGREEMENT

1. The AESO and the Customer agree to the following:
 - (a) The Agreement shall take effect on the Effective Date and shall remain in effect until the execution/amendment of the System Access Agreement by the AESO and the Customer;
 - (b) If the Customer terminates the Proposed Project, fails to provide security in a form as set out in Schedule “B” or the Parties fail to execute/amend the System Access Agreement within thirty (30) days after the completion of the Proposed Project, the Proposed Project shall be deemed to have been cancelled and the Customer shall immediately reimburse the AESO for the aggregate amount of costs and expenses, as well as any losses, damages, penalties or other claims it may incur or be subject to howsoever arising from the Proposed Project (the “**Cancellation Costs**”), and



which are incurred by the AESO or its contractors relating to facilities planning and design, the competitive procurement process (if any), material and right-of-way procurements and construction of the Proposed Project (including without limitation all cancellation penalties and salvage and reclamation costs);

- (c) In the event that the Customer terminates the Proposed Project prior to its completion, the AESO shall notify its contractors of the termination of the Proposed Project and shall use, and shall cause its contractors to use, reasonable commercial efforts to minimize the amount of the Cancellation Costs to the extent such is within their control;
- (d) The Customer shall pay the Cancellation Costs immediately upon demand by the AESO. In the event that the Customer fails to pay the AESO upon demand, the AESO shall be entitled to charge the Customer 1.5% per month interest on late payment of all amounts due to the AESO;
- (e) In the event that the Customer has not paid all of the Cancellation Costs to the AESO within seven (7) days of receipt by the Customer of the AESO's demand therefore, the AESO shall be entitled to realize fully upon any and all security provided by the Customer as assurance of payment, which security is attached hereto as Schedule "B".

2. The AESO's Tariff forms part of this Agreement and in the event of any conflict between the provisions hereof and those of the AESO's Tariff, the AESO's Tariff shall prevail.

THE CUSTOMER AND THE AESO have executed this Agreement on the Effective Date:

INDEPENDENT SYSTEM OPERATOR, operating as AESO **[Customer Legal Name]**

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:



Schedule "A"
to the
Construction Commitment Agreement
between
INDEPENDENT SYSTEM OPERATOR, operating as AESO
and
[Customer Legal Name]
dated
[January 1, 2004]

PROPOSED PROJECT

[Project] - [RP-05-000]

[Customer] has requested a [Description of project]. The scope of work of the Proposed Project is set out in the following documents:

- (i) The Proposed Final Functional Specification Revision #[#] generated by the AESO dated [January 1, 2004].
- (ii) The Proposal to Provide Service document for [Project] generated by [TFO Legal Name] dated [January 1, 2004].
- (iii) The Project Cost Estimate for [Project] generated by [TFO Legal Name] dated [January 1, 2004].

The authorization will be granted on the condition that the cancellation costs of this work not exceed [five million seven hundred thousand dollars] (\$5,700,000) CAD.



Schedule "B"
to the
Construction Commitment Agreement
between
INDEPENDENT SYSTEM OPERATOR, operating as AESO
and
[Customer Legal Name]
dated
[January 1, 2004]

SECURITY

[Project] - [RP-05-000]

APPENDIX D PROCEDURE FOR FORESEEABLE TMR SERVICE

1. This Schedule shall come into force upon the approval of the Settlement Agreement by the Board and remain in force until replaced or revised through the creation of an AESO Rule following reasonable efforts by all Parties hereto to develop same.
2. The AESO shall issue an EOI inviting eligible Customers to express interest in contracting with the AESO for the supply of TMR Service, where an Existing Contract is not in effect. (Reference #1 in below diagram)
3. Based on Customer response to the EOI, the AESO shall fairly and reasonably determine if the EOI is Contestable (Reference #2 in below diagram). The advice and direction of the Market Surveillance Administrator will be sought in all such matters and, should the subsequent determination be disputed the issue of whether the EOI is Contestable may be determined by the Board. (Reference #4 in below diagram)
4. Upon determination by the AESO that the EOI is Contestable a RFP shall be issued by the AESO (Reference #3 in below diagram). The AESO shall fairly and reasonably determine if the RFP is Contestable, again after seeking the advice and direction of the MSA. (Reference #5 in below diagram)
5. If either of the EOI or RFP is deemed by the AESO not to be Contestable the AESO shall issue written reasons in that regard and a Bilateral Negotiation Process shall commence. The Bilateral Negotiation Process:
 - (a) shall be subject to the Maximum TMR Price specified by Article 11.7 of the AESO Tariff,
 - (b) may include all Customers who are effective providers of the required TMR service, although preference will be given to those who responded to the EOI/RFP, and
 - (c) shall not be limited by the pricing provisions of Article 11.6 of the AESO Tariff in respect of Unforeseeable TMR service.(Reference #6 in below diagram)
6. Any party to the Bilateral Negotiation Process may declare it unsuccessful after 30 days, at which time a Binding Arbitration Process shall commence between the AESO and the Customer (Reference #7 in below diagram). In circumstances where multiple Customers may provide TMR Services to the AESO, the AESO shall act fairly and reasonably in its selection as to the party that is subject to Binding Arbitration. The Binding Arbitration Process shall:

- (d) be subject to the Maximum TMR Price specified by Article 11.7 of the AESO Tariff, and
- (e) not be limited by the pricing provisions of Article 11.6 of the AESO Tariff in respect of Unforeseeable TMR Service.

(Reference #8 in below diagram)

7. The Binding Arbitration Process shall employ the Dispute Resolution Process established under Article 19 of the AESO Tariff and proceed directly to Arbitration as per Article 19.3 of the AESO Tariff. Any arbitrator appointed pursuant to that Dispute Resolution Process shall have an expert understanding and knowledge of the Alberta electricity marketplace. (Reference #8 in below diagram)

PROCEDURE FOR FORESEEABLE TMR SERVICE DIAGRAM

