



# Transmission Cost Management Rules

Fred Ritter, director, Engineering  
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# Presentation Overview

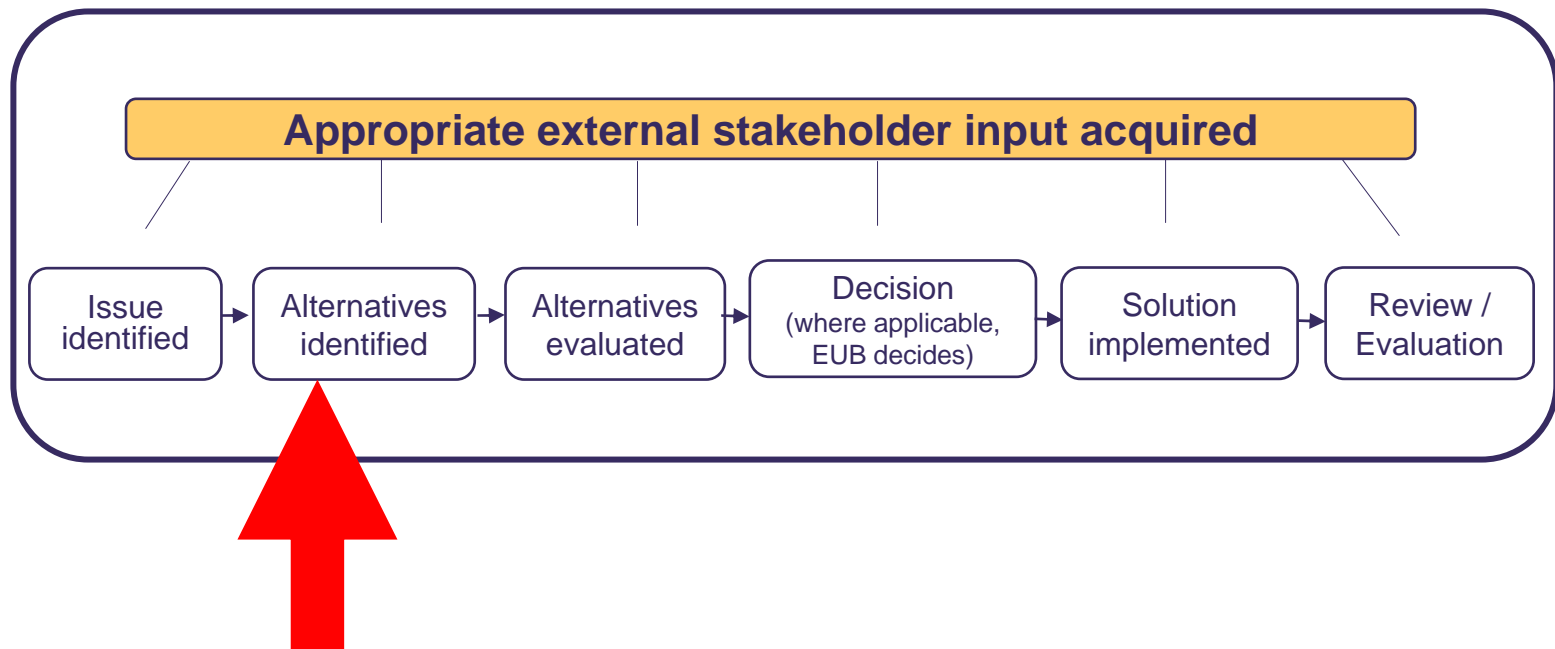
- Direct Assignment process
- Transmission Regulation requirements
- Implementation schedule
- Rules development activities
- Working group



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# The AESO consultation process



# Direct Assignment – Transmission Capital Additions

- AESO responsible for transmission planning
- AESO applies to the EUB for Need Approval-per Section 34 of the ACT
- AESO directs TFO to file facilities application following Need Approval-per Section 35 of the ACT
- EUB approves facilities additions



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# Rules related to Direct Assignment -Transmission Additions

- Specified in Sections 13 and 14
- Rules for project cost estimating and reporting
- Rules requiring TFO to competitively tender project material and construction costs



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# Rule Development Activities and Time Lines-2005

- Issue discussion paper mid-February
- Issue proposed rules mid-February
- Comments by Stakeholders mid- March
- Consultation – AESO rules process end- March
- Target effective date June 2005



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# Discussion Paper and Rules Development Consultation

- Working group formed to develop concepts
  - Representatives include EUB, TFOs, and several customer groups
- One-on-one discussion with several interested parties



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# Working Group Members

- Guido Bachmann, IPPSA
- Tom Chan, EUB
- Rod Crockford, Encana
- Boz Crnkovic, AltaLink
- Asish De Sarkar, EPCOR
- Richard Gallant, IOL
- Keith Gladwyn, EUB
- Ken Kadis, ATCO Electric
- Dan MacNamara, IPCCCA
- Barrie Michael, AESO
- Norm Mills, BP Canada
- Fred Ritter, AESO
- Darin Watson, AltaLink
- Willis Winter, ENMAX



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# Principles for Direct Assignment

- Processes should promote industry confidence that facility additions are timely and cost effective
- Costs will be managed by TFOs with AESO oversight
- Costs must be reasonable with justification for significant deviations
- Projects are executed to meet functional specifications and completion schedules
- Rules will not apply retroactively



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# Issues discussed by Working Group

- AESO role in proactive scrutiny of projects
- Requirement for more detailed process for large projects
- Concern for project estimating accuracy
- Other issues outside working group scope
  - Selection of alternatives in planning phase
  - Interconnection and system addition standards
  - Capital maintenance projects



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# Improvements Considered for Rules

- Information consistency
  - Standard templates for cost estimating
  - Standard templates for project status reporting
- Visibility of projects
  - Project reporting
  - Quarterly project status reports



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## **Questions or Comments?**

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