



AESO Stakeholder Consultation Performance Targets – Customer Interconnection Process Stakeholder Questions/Comments and AESO Responses from January 9, 2008 Stakeholder Session

The AESO would like to take this opportunity to thank all stakeholders for their participation in the consultation process for Performance Targets for the Customer Interconnection process.

The AESO received written comments from the following organizations:

- Altalink Management Ltd.
- Enmax Power
- Fortis Alberta
- TransCanada



Performance Targets – Customer Interconnection Process
Stakeholder Consultation
Comment and Response Matrix
January 9, 2008 - Stakeholder Meeting

1.1 – Overall Project Timeline

Stakeholder	Stakeholder Response	AESO Response
<u>Altalink</u>	It would be useful to have project in service timelines, with or without a performance target.	<p>The AESO acknowledges that the project in-service date is of the utmost importance to the customer in meeting its business objectives and is committed to managing to the in-service date. The AESO will track and report on planned, actual and variances with respect to in-service dates. This reporting will be implemented by April 11, 2008 along with the performance target reporting.</p>
<u>Enmax Power</u>	For customers, metrics which provide some measure of the overall time needed to get a project to the direct assignment stage are a starting point. EPC asserts that customers desire guidelines as to the entire duration of the project from initial customer request through to commissioning.	
<u>Enmax Power</u>	<p>The metrics proposed provide some measure of the overall time needed to get a project to the direction stage, however, the question remains how can the customer use this information to better define the timeline for his project? Specific commitments for each project by all parties involved are needed if a project is to be delivered on schedule.</p> <p>Measuring against what was agreed to by the parties for each project will drive timely delivery of the project at each stage and highlight opportunities for improvement.</p>	
<u>Fortis Alberta</u>	Fortis recommends that a new stage be targeted called Total Project Time.	
<u>TransCanada</u>	While the four proposed areas for performance targets are acceptable, it is far more important that there be an overall target, from the customer application through to the in-service date (“ISD”) of the project.	
<u>TransCanada</u>	As well as the overall targets, there should be a target for each project; the ISD mutually agreed upon between the AESO and its customer. This addresses the concern that no two projects are exactly alike and, instead, places the onus on the AESO to meet specific project commitments.	



1.2 – Additional Performance Targets

Stakeholder	Stakeholder Response	AESO Response
<u>Fortis Alberta</u>	We recommend that the Existing Substation project be split into two categories – breaker additions and transformer additions or replacements. This would allow the AESO to distinguish the complexity and lead times required for each type of requirement and produce more meaningful statistics.	For the initial implementation of performance targets the AESO does not intend to split the existing substation process into two categories. The AESO will consider this suggestion in a future phase.
<u>Altalink</u>	To be meaningful must be Individual project specific and based on a plan which is agreed with the customer up front prior for that group of activities and actuals are tracked to plan and the variances in cycle times from plan reported. Monitoring and reporting must be variance from plan.	No two projects are exactly the same; however, many are similar in nature and go through the same key phases. As a starting point the AESO plans to target the phases it has most control over. Information will be gathered and reported and if stakeholders do not feel that the information and/or targets are useful and appropriate the AESO will engage in further consultation and evolve the targets as required.
<u>Altalink</u>	Need to track several key dates from project start through to ISD—more than just the start and end of the 4 groups of AESO controlled activities.	While the AESO is not planning to set performance targets for phases outside of its direct control, the AESO will report cycle times for these phases and include this information as part of the performance target reporting. This additional information should provide stakeholders with a comprehensive understanding of project cycle times.
<u>TransCanada</u>	Assuming the AESO agrees that overall project leadership is required, then targets for TFO/DFO and AUC involvement should also be established through consultation with the appropriate organizational entity.	

1.3 – Use of the measure - Median

Stakeholder	Stakeholder Response	AESO Response
<u>Altalink</u>	<p>Altalink does not believe the median is the appropriate measure for reporting purposes. Instead we would like to see targets measured on a percentage within a specific timeframe in all of the performance target areas. In addition, we would also like to see reporting on the average delivery time in each performance target area.</p> <p>Regarding the time to produce customer proposals, we believe that the AESO may wish to consider a metric such as 80% of the customer proposals should be completed in 4 months or less, with the only exception being projects requiring system reinforcement which should take no longer than 6 months.</p>	<p>Based on the comments received the AESO will report the target, actual and variance information as well as average and median cycle times for the performance target areas.</p>
<u>Altalink</u>	<p>Regarding the time to produce customer proposals, we believe that the AESO may wish to consider a metric such as 80% of the customer proposals should be completed in 4 months or less, with the only exception being projects requiring system reinforcement which should take no longer than 6 months.</p>	
<u>Fortis Alberta</u>	<p>We propose that the AESO report the average cycle time for each target area in addition to reporting the proposed median cycle time.</p>	
<u>TransCanada</u>	<p>Targets based solely on averages or medians are not meaningful. In addition, each transmission connected project is unique and can vary so significantly that an 'average' time to complete various components of the project or the overall project is not very meaningful.</p>	

1.4 – Project Leadership

Stakeholder	Stakeholder Response	AESO Response
<u>TransCanada</u>	TransCanada also feels the AESO should be providing greater overall leadership in the interconnection process. The AESO is the organization most central to the process and in the driver's seat much of the time. There should be one AESO employee assigned to each project from start to finish including facilitating work flows through internal departments and external service providers like TFO/DFOs and the AUC. This project leader should be intimately familiar with the project and constantly monitoring the progress throughout the entire process, allowing their intervention and corrective action as soon as the process is slightly delayed, rather than reacting to customer concerns when a material delay has already occurred. This would also align with further establishment of a "Customer Service" mindset and a "one-stop-shop" concept.	<p>An AESO project manager is assigned to each project with the expectation that he/she manage the project throughout the entire process including but not limited to:</p> <ul style="list-style-type: none"> – Creating an overall project schedule in consultation with the customer and TFO – Communicating issues – Status reporting – Facilitating resolution of issues in a timely manner <p>Strong project management and excellent customer service are key priorities for the AESO.</p>
<u>Enmax Power</u>	The AESO project coordinator must have clear visibility of the commitments made for the project and be able to make this information available to all parties. In addition, all parties must be aware of how to effectively escalate project issues within the AESO, TFO and customer organizations when there is a breakdown. This would permit a customer or TFO to track their projects once they are with the AESO.	<p>The Transmission department is initiating a customer service development program within the department and will continue with project management competency development for its project managers.</p> <p>The AESO is committed to working with the other interconnecting agencies in a collaborative manner to improve the overall process and ensure customers are connected in a timely and effective manner.</p>

1.5 – Additional Tools & Practices

Stakeholder	Stakeholder Response	AESO Response
<u>Enmax Power</u>	What is needed are tools to assist the customer, the AESO and the TFO in managing the interdependencies inherent in the process. These tools center on communication of what is to be delivered at each step, when is it to be delivered, and to whom is it to be delivered. These tools should also provide visibility to all parties of where in the process a project is at. In other words, the party responsible for delivery must provide to all parties its' commitment date for completion of the step.	The AESO does produce quarterly reports which provide significant detail and visibility on each project. As indicated in Sections 1.1 and 1.2 of this document the AESO will report on cycle times for the phases outside of its direct control and this, in conjunction with the performance targets, should provide stakeholders with a comprehensive understanding of project cycle times.
<u>Enmax Power</u>	EPC is also concerned that projects do not have visibility to the customer or TFO once they have been delivered to the AESO. One method to facilitate this is to use a system similar to the AUC/ERCB system.	
<u>TransCanada</u>	TransCanada recommends that the AESO develop a 'toolkit' of measures that it will execute when project delays occur in order to meet the agreed upon in-service date.	
<u>TransCanada</u>	TransCanada recommends that approximate lead times be developed around typical types of projects, such as upgrades at existing facilities (and possibly by voltage level), establishing new PODs at greenfield sites by size and complexity and construction of transmission lines (possibly varying by voltage level and length). These approximate lead times should be posted on the AESO website so customers contemplating new projects can be forewarned of the amount of time in advance of their project that commitments must be made.	

1.6 – Reporting

Stakeholder	Stakeholder Response	AESO Response
<u>Fortis Alberta</u>	We suggest that any delay period that is specifically requested by the customer is removed from the reporting statistics.	The AESO agrees with this comment and will remove these projects prior to reporting the results.
<u>Altalink</u>	Reporting should be quarterly and in table plus graphical form showing planned, actual and variance	The AESO will report the performance target areas and the other areas mentioned in Sections 1.1 and 1.2 of this paper on a semi-annual basis.

1.7 – Resourcing

Stakeholder	Stakeholder Response	AESO Response
<u>TransCanada</u>	TransCanada shares the concern expressed in the stakeholder session that, in order to meet customer project deadlines, the AESO may redeploy some resources currently deployed to address delays in system projects. However, the AESO should acquire the resources needed to meet both of these important requirements.	The AESO has contracted with three consulting companies for planning resources and is in conversation with another firm to secure further planning resources. The AESO will continue to monitor cycle times and its' resource levels and make adjustments to appropriately respond to project volumes.