

Applicability

1 Rate-DTS of the ISO tariff, Demand Transmission Service, applies to **system access service** provided at a **point of delivery** to:

- (a) the **legal owner** of an **electric distribution system**;
- (b) a **person** who has entered into an arrangement directly with the **ISO** for the provision of **system access service** under subsection- 101(2) of the **Act**;
- (c) the **legal owner** of an industrial system that has been designated as such by the **Commission**; or
- (d) the City of Medicine Hat.

Rate

2 The **ISO** must determine the charge under Rate-DTS in a **settlement period** in accordance with subsections- 3 through 7 below as the sum of the connection charge, the **operating reserve** charge, the **transmission constraint rebalancing** charge, the voltage control charge and the other system support services charge.

Connection Charge

3(1) The **ISO** must determine the connection charge as the sum, over all rows, of the products calculated by multiplying the volume and charge in each row (a) through (i) of the following table.

Volume in Settlement Period	Charge
Bulk System Charge	
(a) Coincident metered demand	\$10,524814.00/MW/month
(b) Metered energy	\$1.2613/MWh
Regional System Charge	
(c) Billing capacity	\$2,359799.00/MW/month
(d) Metered energy	\$0.8786/MWh
Point of Delivery Charge	
(e) Substation fraction	\$9,06214,291.00/month
(f) First (7.5 × substation fraction) MW of billing capacity	\$3,6694,703.00/MW/month
(g) Next (9.5 × substation fraction) MW of billing capacity	\$2,298789.00/MW/month

Volume in Settlement Period	Charge
(h) Next (23 × substation fraction) MW of billing capacity	\$1, 603 <u>867</u> .00/MW/ month
(i) All remaining MW of billing capacity	\$1, 038 <u>150</u> .00/MW/ month

3(2) The ISO must determine the coincident **metered demand** as the **metered demand** at the **point of delivery** averaged over the 15-minute interval in which the sum of the **metered demands** for all Rate DTS and Rate-~~FTS~~ FTS of the ISO tariff, Fort Nelson Demand Transmission Service, **market participants** is greatest in the **settlement period**.

Operating Reserve Charge

4(1) The ISO must determine the **operating reserve** charge as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate-DTS **market participant** in the hour; and
- (b) the total cost of **operating reserves** in the hour divided by the total **metered energy** for all Rate-DTS and Rate-FTS **market participants** in the hour.

4(2) The ISO must estimate the **operating reserve** charge, if unable to determine it for a **settlement period** in accordance with subsection-4(1) above, as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate-DTS **market participant** in the hour; and
- (b) **pool price** in the hour multiplied by ~~8-507~~.13%.

Transmission Constraint Rebalancing Charge

5 The ISO must determine the **transmission constraint rebalancing** charge as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate-DTS **market participant** in the hour; and
- (b) the total cost of **transmission constraint rebalancing** payments in the hour divided by the total **metered energy** for all Rate-DTS and Rate-FTS **market participants** in the hour.

Voltage Control Charge

6 The ISO must determine the voltage control charge as the product of **metered energy** in the **settlement period** multiplied by \$0.05/MWh.

Other System Support Services Charge

7 The ISO must determine the other system support services charge as the sum of:

- (a) the highest **metered demand** in the **settlement period** multiplied by ~~\$36~~24.00/MW/**month**;
- and

- (b) when **power factor** is less than 90% during the interval of highest **metered demand** in the **settlement period**, \$400.00/MVA multiplied by the **apparent power** difference calculated during the interval of highest **metered demand** in the **settlement period** as the difference between the metered **apparent power** and 111% of **metered demand**, unless the ISO waived the application of such a charge prior to December 31, 2016.

Terms

8(1) The ISO must apply Rate_DTS separately at each **point of delivery**, except where Rate_DTS applies to totalized **points of delivery** under subsection ~~5 of section 13.10.3~~ of the ISO tariff, Settlement and Payment Terms.

8(2) The ISO must determine **metered energy** under Rate_DTS, in an hour for which a Rate ~~DOS~~ DOS of the ISO tariff, Demand Opportunity Service, transaction has been approved by the ISO at a **point of delivery** where Rate_DOS applies, as the sum of:

- (a) **metered energy** up to the Rate_DTS **contract capacity**; plus
- (b) any additional **metered energy** determined under subsection ~~2(2)~~ of Rate_DOS.

8(3) The ISO must apply Rider-C of the ISO tariff, Deferral Account Adjustment Rider, to **system access service** provided under this rate.

8(4) The ISO must apply Rider-F of the ISO tariff, Balancing Pool Consumer Allocation Rider, to **system access service** provided under this rate.

8(5) The terms and conditions of the ISO_tariff form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated charges, as applied for in the 2020 ISO tariff update application and revised Other System Support Services Charge waiver as applied for in the 2018 ISO tariff compliance application.</u>
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December 18 , 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016- <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-11-26	Updated subsections and charges, as approved in Commission Decision 20623-D01-

	2015 issued on November 5, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2013-10-01	Updated charges, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2013 and on a final basis in Commission Decision 2014-242 issued on August 21, 2014.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

Applicability

1 Rate-~~FTS~~ FTS of the ISO tariff, Fort Nelson Demand Transmission Service, applies to **system access service** provided at the **point of delivery** to BC-Hydro at Fort Nelson, British Columbia:

Rate

2 The ISO must determine the charge under Rate-~~FTS~~ in a **settlement period** in accordance with subsections-~~3~~ through 7 below as the sum of the connection charge, the **operating reserve** charge, the **transmission constraint rebalancing** charge, the voltage control charge and the other system support services charge.

Connection Charge

3(1) The ISO must determine the connection charge as the sum, over all rows, of the products calculated by multiplying the volume and charge in each row (a) through (d) of the following table.

Volume in Settlement Period	Charge
Bulk System Charge	
(a) Coincident metered demand	\$10, 524814 .00/MW/ month
(b) Metered energy	\$1. 2613 /MWh
Regional System Charge	
(c) Billing capacity	\$2, 359799 .00/MW/ month
(d) Metered energy	\$0. 8786 /MWh

3(2) The ISO must determine the coincident **metered demand** as the **metered demand** at the **point of delivery** averaged over the 15-minute interval in which the sum of the **metered demands** for all Rate DTS of the ISO tariff, Demand Transmission Service, and Rate-~~FTS~~ **market participants** is greatest in the **settlement period**.

3(3) The ISO must determine the rate for the regional system charge in subsections-~~3~~(1)(c) and ~~3(1)(d)~~ above as the greater of:

- (a) the rate for the regional system charge in subsections-~~3~~(1)(c) and ~~3(1)(d)~~ of Rate-~~DTS~~; or
- (b) a specific Fort Nelson rate based on the levelized cost of the original ATCO-Electric line providing service to Fort Nelson.

Operating Reserve Charge

4(1) The ISO must determine the **operating reserve** charge as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate-~~FTS~~ **market participant** in the hour; and

- (b) the total cost of **operating reserves** in the hour divided by the total **metered energy** for all Rate_DTS and Rate_FTS **market participants** in the hour.

4(2) The ISO must estimate the **operating reserve** charge, if unable to determine it for a **settlement period** in accordance with subsection 4(1) above, as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate_FTS **market participant** in the hour; and
- (b) **pool price** in the hour multiplied by ~~8.507.13~~%.

Transmission Constraint Rebalancing Charge

5 The ISO must determine the **transmission constraint rebalancing** charge as the sum, over all hours in the **settlement period**, of the amount calculated in each hour as the product of:

- (a) **metered energy** for the Rate_FTS **market participant** in the hour; and
- (b) the total cost of **transmission constraint rebalancing** payments in the hour divided by the total **metered energy** for all Rate_DTS and Rate_FTS **market participants** in the hour.

Voltage Control Charge

6 The ISO must determine the voltage control charge as the sum of:

- (a) the product of **metered energy** in the **settlement period** multiplied by \$0.05/MWh; and
- (b) the sum, over all hours in the **settlement period** in which Rainbow area load exceeds 145 MW and transmission must-run generation is required in the Rainbow area, of the cost associated with transmission must-run generation in the Rainbow area in an hour multiplied by the ratio in the hour of:
 - (i) Fort Nelson load in excess of 38.5_MW; to
 - (ii) the sum of Fort Nelson load in excess of 38.5_MW and Alberta Rainbow area load (excluding Fort Nelson load) in excess of 106.5_MW.

Other System Support Services Charge

7 The ISO must determine the other system support services charge as the sum of:

- (a) the highest **metered demand** in the **settlement period** multiplied by ~~\$3624~~.00/MW/month; and
- (b) when **power factor** is less than 90% during the interval of highest **metered demand** in the **settlement period**, \$400.00/MVA multiplied by the **apparent power** difference calculated during the interval of highest **metered demand** in the **settlement period** as the difference between the metered **apparent power** and 111% of **metered demand**, unless the ISO waived the application of such a charge prior to December 31, 2016.

Terms

8(1) BC_Hydro must, if it terminates the **system access service** provided under this rate prior to the full payment of the levelized cost of the original ATCO_Electric line providing service to Fort Nelson under subsection 3(3)(b) above, pay the amount the ISO determines as the remaining unpaid balance of those

ISO Tariff – Rate FTS
Fort Nelson Demand Transmission Service (continued)

costs net of any residual value, in addition to any **financial obligations** under section **9.5** of the **ISO tariff**, Changes to System Access Service.

8(2) The **ISO** must apply Rider **C** of the ISO tariff, *Deferral Account Adjustment Rider*, to **system access service** provided under this rate.

8(3) The terms and conditions of the **ISO** tariff form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated charges, as applied for in the 2020 ISO tariff update application and revised Other System Support Services Charge waiver as applied for in the 2018 ISO tariff compliance application.</u>
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December <u>18</u> , 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016 <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-11-26	Updated subsections and charges, as approved in Commission Decision 20623-D01-2015 issued on November 5, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2013-10-01	Updated charges, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2013 and on a final basis in Commission Decision 2014-242 issued on August 21, 2014
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

Applicability

1 Rate_DOS of the ISO tariff, Demand Opportunity Service, applies to **system access service** provided at a **point of delivery** to a **market participant** who:

- (a) receives **system access service** under Rate_DTS of the ISO tariff, Demand Transmission Service;
- (b) is eligible for demand opportunity service under section ~~42.9~~ of the **ISO tariff, Demand Opportunity Service**; and
- (c) is recallable in accordance with the provisions of this rate.

Metered Energy

2(1) The **ISO** must apply a Rate_DOS charge to **metered energy** received at a **point of delivery** in every hour:

- (a) for which a Rate_DOS transaction has been approved by the **ISO**;
- (b) above the Rate_DTS **contract capacity** for the **system access service**; and
- (c) up to the sum of the Rate_DTS **contract capacity** and the approved Rate_DOS transaction capacity for the **system access service**.

2(2) The **ISO** must add to the **market participant's metered energy** received at a **point of delivery** under Rate_DTS any **metered energy** received at the **point of delivery** in an hour that exceeds the sum of the Rate_DTS **contract capacity** and the approved Rate_DOS transaction capacity for the **system access service**, in the same **settlement period**.

Rate

3(1) The **ISO** must provide the three types of demand opportunity service in accordance with the charges, recall **directive** response times and recall priorities in the following table.

Rate DOS Type	Rate DOS Charge	Recall Directive Response Time	Recall Priority
(a) DOS_7 Minutes	\$7.026.11 /MWh	7 minutes	Before Rates_DTS, FTS, DOS Term and DOS 1 Hour
(b) DOS_1 Hour	\$18.5317.85 /MWh	1 hour	Before Rates_DTS, FTS and DOS Term
(c) DOS_Term	\$97.07110.44 /MWh	7 minutes	Before Rates_DTS and FTS

3(2) The **ISO** must determine the amount billed for demand opportunity service in a **settlement period** as the greater of:

- (a) (i) the Rate_DOS charge from subsection_3(1)(a), ~~3(1)(b)~~, or ~~3(1)(c)~~ above, as applicable, multiplied by the **metered energy** during the **settlement period**; plus
- (ii) an incremental losses charge calculated as the sum, over all transaction hours in the **settlement period**, of **metered energy** in the hour multiplied by **pool price** in the hour

ISO Tariff – Rate DOS
Demand Opportunity Service (continued)

multiplied by a **loss factor** for the facility, where the **loss factor** is determined in accordance with section-501.10 of the **ISO-rules, Transmission Loss Factor Methodology and Requirements, and Factors, which** is available to **market participants** ~~in~~ on the ~~loss factors section of the ISOAESO~~ website;

or

- (b) a minimum amount equal to the Rate-DOS charge from subsection-3(1)(a), ~~3(1)(b)~~, or ~~3(1)(c)~~ above, as applicable, multiplied by the approved Rate-DOS transaction capacity multiplied by the number of hours in total transactions in the **settlement period** multiplied by 75%.

3(3) The **ISO** must add a transaction fee of \$500.00 to the amount billed for demand opportunity service in a **settlement period** in which the **ISO** approved at least one Rate-DOS transaction at the **point of delivery**.

Terms

4(1) The **ISO** must apply Rate-DOS separately at each **point of delivery**.

4(2) The **market participant** must, if the **ISO** recalls a **market participant's** demand opportunity service, curtail load by the amount directed by the **ISO** which:

- (a) may be an amount up to the approved Rate-DOS transaction capacity; and
(b) must not require curtailment below the **market participant's** Rate-DTS **contract capacity** for the **system access service**.

4(3) The **market participant** must, in response to a **directive** from the **ISO**, achieve curtailment of its demand opportunity service load within the response time specified in subsection-3(1)(a), ~~3(1)(b)~~, or ~~3(1)(c)~~ above, as applicable.

4(4) The **ISO** must apply Rider-E of the ISO tariff, *Losses Calibration Factor Rider*, to **system access service** provided under this rate.

4(5) The **ISO** must apply Rider-F of the ISO tariff, *Balancing Pool Consumer Allocation Rider*, to **system access service** provided under this rate, with the exception of the City of Medicine Hat.

4(6) The terms and conditions of the **ISO-tariff** form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated charges, as applied for in the 2020 ISO tariff update application.</u>
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016; <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015 except for the losses charge component in subsection 3(2) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2013-10-01	Updated charges, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2014 and on a final basis, in Commission Decision 2014-242 issued on August 21, 2014 except for the losses charge component in subsection 3(2) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

ISO Tariff – Rate XOS

Export Opportunity Service

Applicability

1 Rate ~~XOS~~ of the ISO tariff, Export Opportunity Service, applies to **system access service** provided to **market participants** who export electric energy from the **interconnected electric system** utilizing an **intertie** that existed on August ~~12~~, 2004, as referred to in section ~~16~~ of the *Transmission Regulation*.

Availability

- 2 The **ISO** must make export opportunity service available:
- (a) only when sufficient capacity exists on the **transmission system** to accommodate the capacity scheduled for export; and
 - (b) a minimum of ~~twenty-four (24)~~ hours following execution of an agreement for **system access service** for export opportunity service.

Rate

3(1) The **ISO** must provide export opportunity service in accordance with the charge, recall **directive** response time and recall priority in the following table.

Rate	Charge	Recall Directive Response Time	Recall Priority
XOS	\$ 8.3000 /MWh	1 hour	Before Rates DTS , FTS and DOS (any type)

3(2) The **ISO** must determine the amount billed for export opportunity service in a **settlement period** as the greater of:

- (a) (i) the Rate ~~XOS~~ charge from subsection ~~3(1)~~ above multiplied by the **market participant's** export **interchange transaction** during the **settlement period**; plus
 - (ii) an incremental losses charge calculated as the sum, over all transaction hours in the **settlement period**, of the **market participant's** export **interchange transaction** in the hour multiplied by **pool price** for the hour multiplied by a **loss factor** for the **intertie**, where the **loss factor** is determined in accordance with section ~~501.10~~ of the **ISO rules**, *Transmission Loss ~~Factor Methodology and Requirements, and Factors~~*, which is available to **market participants** ~~in the loss factors section of on~~ the AESO website;
- or
- (b) a minimum amount calculated as the sum, over all transaction hours in the **settlement period**, of:
 - (i) the Rate ~~XOS~~ charge from subsection ~~3(1)(a) or 3(1)(b)~~ above, as applicable, multiplied by the **market participant's** hour-ahead scheduled capacity multiplied by 75%; plus
 - (ii) an incremental losses charge calculated as the **market participant's** hour-ahead scheduled capacity multiplied by 75% multiplied by **pool price** for the hour multiplied by a **loss factor** for the **intertie**, where the **loss factor** is determined in accordance with section ~~501.10~~ of the **ISO rules**, *Transmission Loss ~~Factor Methodology and~~*

~~Requirements, and Factors, which~~ is available to **market participants** ~~in the loss factors section of on~~ the AESO website.

3(3) The **ISO** must add an **operating reserve** charge, an other system support services charge or both to the amount billed for export opportunity service in a **settlement period** when the transaction requires the **ISO** to procure incremental **operating reserves**, incremental system support services or both.

3(4) The **ISO** must add a transaction fee of \$500.00 to the amount billed for export opportunity service in a **settlement period** in which at least one Rate-XOS transaction was approved for the **market participant**.

Terms

4(1) The **ISO** must apply Rate-XOS separately at each **point of interconnection**.

4(2) A **market participant** must achieve curtailment of its export opportunity service within the response time specified in subsection-3(1) above in response to a **directive** from the **ISO**.

4(3) The **market participant** may contract for export opportunity service for a term within the minimum and maximum terms in the following table.

Rate	Minimum Term	Maximum Term
XOS	1 hour	1 month

4(4) The **ISO** must apply Rider-E of the ISO tariff, *Losses Calibration Factor Rider*, to **system access service** provided under this rate.

4(5) The terms and conditions of the **ISO-tariff** form part of this rate.

Revision History

Effective	Description
2020-XX-01	Updated charges, as applied for in the 2020 ISO tariff update application.
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016- and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015 except for the losses charge component in subsection 3(2) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2013-10-01	Updated charges, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2014 and on a final basis, in Commission Decision 2014-242 issued on August 21, 2014 except for the losses charge component in subsection 3(2) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

Applicability

1 Rate-XOM ~~of the ISO tariff, Export Opportunity Merchant Service~~, applies to **system access service** provided to **market participants** who export electric energy from the **interconnected electric system** utilizing a merchant **intertie**, defined in accordance with subsection-27(4) of the *Transmission Regulation* as an **intertie** for which the cost of planning, designing, constructing, operating and interconnecting is paid by the person who proposed the **intertie** and other persons that directly benefit from the **intertie**.

Availability

- 2 The ISO must make export opportunity merchant service available:
- (a) only when sufficient capacity exists on the **transmission system** to accommodate the capacity scheduled for export; and
 - (b) a minimum of ~~twenty-four (24)~~ hours following execution of an agreement for **system access service** for export opportunity merchant service.

Rate

3(1) The ISO must provide export opportunity merchant service in accordance with the charge, recall **directive** response time and recall priority in the following table.

Rate	Charge	Recall Directive Response Time	Recall Priority
XOM	\$ 8.3000 /MWh	1 hour	Before Rates- <u>DTS</u> , FTS and DOS (any type)

3(2) The ISO must determine the amount billed for export opportunity merchant service in a **settlement period** as the greater of:

- (a) the Rate-XOM charge from subsection-3(1) above multiplied by the **market participant's** export **interchange transaction** during the **settlement period**; or
- (b) a minimum amount calculated as the sum, over all transaction hours in the **settlement period**, of the Rate-XOM charge from subsection-3(1) above multiplied by the **market participant's** hour-ahead scheduled capacity multiplied by 75%.

3(3) The ISO must add an **operating reserve** charge, an other system support services charge or both to the amount billed for export opportunity merchant service in a **settlement period** when the transaction requires the ISO to procure incremental **operating reserves**, incremental system support services or both.

3(4) The ISO must add a transaction fee of \$500.00 to the amount billed for export opportunity merchant service in a **settlement period** in which at least one Rate-XOM transaction was approved for the **market participant**.

Terms

4(1) The ISO must apply Rate-XOM separately at each **point of interconnection**.

ISO Tariff – Rate XOM
Export Opportunity Merchant Service (continued)

4(2) A **market participant** must achieve curtailment of its export opportunity merchant service within the response time specified in subsection 3(1) above in response to a **directive** from the **ISO**.

4(3) The **market participant** may contract for export opportunity merchant service for a term within the minimum and maximum terms in the following table.

Rate	Minimum Term	Maximum Term
XOM	1 hour	1 month

4(4) The terms and conditions of the **ISO** tariff form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated charges, as applied for in the 2020 ISO tariff update application.</u>
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016, <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2013-10-01	Introduced for export service over Alberta-Montana intertie , as approved on interim refundable basis in Commission Decision 2013-325 issued on August 28, 2013.

Applicability

1(1) Rate PSC of the ISO tariff, Primary Service Credit, applies to **system access service** provided at a **point of delivery** to a **market participant** who receives **system access service** under Rate-DTS of the ISO tariff, Demand Transmission Service, and:

- (a) does not utilize transformation facilities owned by a **legal owner** of **transmission facilities** to step transmission voltage down to 25-kV or less; or
- (b) is served through an unconventional connection such as one using metering transformers.

1(2) Rate-PSC does not apply to **system access service** to an isolated community as defined under the *Isolated Generating Units and Customer Choice Regulation*.

Rate

2(1) The **ISO** must determine the primary service credit to compensate a **market participant** whose connection does not include conventional transformation facilities owned by a **legal owner** of **transmission facilities**, including a connection for a **market participant** who has purchased, owns and operates its transformer.

2(2) The **ISO** must determine the primary service credit as the sum of the products calculated by multiplying the volume and credit in each row-(a) through (e) of the following table.

Volume in Settlement Period	Credit
(a) Substation fraction	\$7,159 11,290.00/month
(b) First (7.5 × substation fraction) MW of billing capacity	\$2,899 3,715.00/MW/month
(c) Next (9.5 × substation fraction) MW of billing capacity	\$1,815 2,203.00/MW/month
(d) Next (23 × substation fraction) MW of billing capacity	\$1, 266 475.00/MW/month
(e) All remaining MW of billing capacity	\$1, 038 150.00/MW/month

Terms

3(1) The **ISO** must apply Rate-PSC separately at each **point of delivery**, except where Rate-PSC applies to totalized **points of delivery** underin accordance with subsection ~~5 of section 13~~ 10.3 of the ISO-tariff, Settlement and Payment Terms.

3(2) The **ISO** must provide the primary service credit in conjunction with a reduced maximum local investment in accordance with subsection ~~8 of section 8~~ 4.7 of the ISO-tariff, Classification and Allocation of Connection Projects Costs.

3(3) The **ISO** must apply Rider C of the ISO-tariff, Deferral Account Adjustment Rider, to **system access service** provided under this rate.

3(4) The terms and conditions of the **ISO** tariff form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated credit levels, as applied for in the 2020 ISO tariff update application and revised terms, as applied for in the 2018 ISO tariff compliance application.</u>
2019-01-01	Updated credit levels, as approved in Commission Decision 24036-D01-2018 issued on November 28, 2017 <u>December 18, 2018.</u>
2018-01-01	Updated credit levels, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017 and revised terms as approved on an interim basis in Commission Decision 22942-D01-2017.
2017-01-01	Updated credit levels, as <u>approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016 and on a final basis in Commission Decision 22093-D02-2017</u> issued on April 4, 2017.
2016-04-01	Updated credit levels, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated credit levels, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated subsections and credit levels, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

Applicability

- 1(1)** Rate-STS applies to **system access service** provided at a **point of supply** to:
- (a) ~~the~~ **legal owner** of a **generating unit** or an **aggregated generating facility** that is not subject to a **power purchase arrangement**;
 - (b) ~~the~~ holder of the **power purchase arrangement** for a **generating unit** that is subject to a **power purchase arrangement**;
 - (c) ~~the~~ **legal owner** of an industrial system that has been designated as such by the **Commission**;
 - (d) ~~the~~ **legal owner** of an **electric distribution system** where a **generating unit** or an **aggregated generating facility** **is** connected to the **electric distribution system** ~~results in electricity flowing into the transmission system~~; or
 - (e) the City of Medicine Hat.
- 1(2)** Rate-STS does not apply to a **generating unit** constructed under the *Small Power Research and Development Act*, to the extent the volume of energy sales from such a **generating unit** is conducted under a contract specifically executed pursuant to the provisions of the *Small Power Research and Development Act*.

Rate

- 2(1)** The **ISO** must determine the charge under Rate-STS in a **settlement period** as the losses charge calculated as the sum, over all hours in the **settlement period**, of **metered energy** in the hour multiplied by **pool price** multiplied by a **loss factor** for the facility, where the **loss factor** is determined in accordance with section-501.10 of the **ISO-rules**, *Transmission Loss ~~Factor Methodology and Requirements, and Factors, which~~* is available to **market participants** ~~in the loss factors section of~~ the AESO website.
- 2(2)** The **ISO** must measure **metered energy** on a 15-minute interval for the purpose of calculating the losses charge under subsection-2(1) above.

Regulated Generating Unit Connection Cost

- 3** The **ISO** must apply an additional charge of \$~~45~~**15**.00/MW per **month** for each regulated **generating unit** MW only to the regulated **generating units** identified in Appendix-A of the **ISO-tariff** and only to the end of the base life year of the regulated **generating units** as provided in ~~that~~ Appendix **A**.

Terms

- 4(1)** The **ISO** must apply Rate-STS separately at each **point of supply**, except where Rate-STS applies to totalized **points of supply** under subsection-~~5 of section 13~~ **10.3** of the **ISO-tariff**, *Settlement and Payment Terms*.
- 4(2)** The **ISO** must apply Rider-**E**, *Losses Calibration Factor Rider*, to **system access service** provided under this rate.

4(3) The ISO must apply Rider-J, *Wind Forecasting Service Cost Recovery Rider*, to **system access service** provided under this rate for a wind-powered **generating unit** or **aggregated generating facility**.

4(4) The terms and conditions of the **ISO-tariff** form part of this rate.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated charges, as applied for in the 2020 ISO tariff update application and revised applicability, as applied for in the 2018 ISO tariff compliance application.</u>
2019-01-01	Updated charges, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated charges, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated charges, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016- <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated charges, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated charges, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015 except for the losses charge component in subsection 2(1) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2013-10-01	Updated charges, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2014 and on a final basis, in Commission Decision 2014-242 issued on August 21, 2014 except for the losses charge component in subsection 2(1) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

Applicability

1 Rate-IOS ~~of the ISO tariff, Import Opportunity Service,~~ applies to **system access service** provided to **market participants** who import electric energy to the **interconnected electric system**.

Availability

- 2 The ISO must make ~~import~~ opportunity service available:
- (a) only when sufficient capacity exists on the **transmission system** to accommodate the capacity scheduled for import; and
 - (b) a minimum of ~~twenty-four (24)~~ hours following execution of an agreement for **system access service** for import opportunity service.

Rate

2(1) The ISO must determine the charge under Rate-IOS in a **settlement period** as the losses charge calculated as the sum, over all hours in the **settlement period**, of the **market participant's** import **interchange transaction** in the hour multiplied by **pool price** multiplied by a **loss factor** for the **intertie**, where the **loss factor** is determined in accordance with section-501.10 of the **ISO-rules, Transmission Loss Factor Methodology and Requirements, and Factors, which** is available to **market participants** ~~in the loss factors section of on~~ the AESO website.

2(2) The ISO must add a transaction fee of \$500.00 to the amount billed for import opportunity service in a **settlement period** in which at least one Rate-IOS transaction was approved for the **market participant**.

Terms

43(1) The ISO must apply Rate-IOS separately at each **point of interconnection**.

3(2) A **market participant** must achieve curtailment of its import opportunity service within ~~one~~ **(1)**-hour in response to a **directive** from the **ISO**.

3(3) The ISO must apply Rider-E ~~of the ISO tariff, Losses Calibration Factor Rider,~~ to **system access service** provided under this rate.

3(4) The terms and conditions of the **ISO-tariff** form part of this rate.

Revision History

Effective	Description
2020-XX-01	Updated reference for Rule 501.10 as applied for in the 2018 ISO tariff compliance application.
2015-07-01	Updated subsections and charges, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015 except for the losses charge component in subsection 2(1) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2013-10-01	The losses charge component in subsection 2(1) approved on an interim basis in Commission Decision 2014-242 issued on August 21, 2014.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

ISO Tariff – Rider J

Wind Forecasting Service Cost Recovery Rider



Applicability

1 Rider ~~J~~ of the **ISO tariff, Wind Forecasting Service Cost Recovery Rider**, applies to **system access service** provided under Rate-~~STS~~ of the **ISO tariff, Supply Transmission Service**, for a wind-powered **generating unit** or **aggregated generating facility**.

Rider

2(1) The **ISO** must determine the Rider J amount to recover the costs paid by the **ISO** for provision of a wind forecasting service for wind-powered **generating units** and **aggregated generating facilities** in Alberta.

2(2) The **ISO** must calculate the Rider J charge as the product of **metered energy** in the **settlement period** multiplied by \$0.~~9800~~/MWh.

~~42~~**(3)** The **ISO** must:

- (a) review Rider-~~J~~ costs and revenues at the end of each calendar year; and
- (b) adjust the Rider-~~J~~ amount in future years to address variances from forecasts of costs and revenues.

Terms

3(1) The **ISO** must apply Rider-~~J~~ separately at each **point of supply**.

3(2) The terms and conditions of the **ISO-~~tariff~~** form part of this rider.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated to \$0.00/MWh charge, as applied for in the 2020 ISO tariff update application.</u>
2019-01-01	Updated to \$0.08/MWh charge, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated to \$0.09/MWh charge, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated to \$0.05/MWh charge, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016; <u>and on a final basis in Commission Decision 22093-D02-2017 on April 4, 2017.</u>
2016-04-01	Updated to \$0.05/MWh charge, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated to \$0.06/MWh charge, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated to \$0.12/MWh charge, as approved on an interim refundable basis in Commission Decision 2014-330 issued on December 3, 2014 and on a final basis in Commission Decision 3473-D01-2015 issued on June 17, 2015.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.

~~ISO Tariff – Section 8~~
~~Construction Contributions for Connection Projects~~
ISO Tariff – Section 4
Classification and Allocation of Connection Projects Costs



Applicability

4.1 This section applies to a **market participant** who has requested or is receiving **system access service** under:

- (a) Rate_~~_DTS~~, *Demand Transmission Service*;
- (b) Rate_~~_PSC~~, *Primary Service Credit*; or
- (c) Rate_~~_STS~~, *Supply Transmission Service*.

Connection Costs

~~2~~ The ~~ISO~~ must determine the costs of a connection project for a **market participant** to be those costs reasonably associated with facilities that:

- ~~(a) a legal owner of a transmission facility owns and operates;~~
- ~~(b) are required in order to:~~
 - ~~(i) provide **system access service** to a new **point of delivery** or **point of supply**; or~~
 - ~~(ii) increase the capacity of or improve **system access service** to an existing **point of delivery** or **point of supply**; and~~
- ~~(c) are reasonably required to meet the **market participant's**:~~
 - ~~(i) **demand** and supply forecast; and~~
 - ~~(ii) **reliability** and operating requirements.~~

Classification of Participant-Related and System-Related Costs

34.2(1) All costs of a connection project ~~will as determined by the ISO under subsection 3.4 of the ISO tariff, System Access Service Requests, must~~ be classified as either participant-related or system-related.

4.2(2) Participant-related costs ~~will be those~~ are the costs related deemed necessary by the ISO to accommodate a contiguous connection project including, when taking into account the ISO's transmission system planning obligations, and include costs associated with:

- (a) the connection substation for the **point of delivery** or **point of supply**, including all transmission facilities to accommodate an in-out line configurations, where required configuration;
- (b) new a radial transmission lines circuit, including double-radial configurations, with only ~~one~~ (1) transmission source from the **transmission system** to the connection substation;
- ~~(c)~~ a new additional transmission line for a **point of delivery** or **point of supply** that is served from an additional transmission source and that is either required only to serve the **point of delivery** or **point of supply** or is requested by a **market participant**;
- (d) a share of existing **transmission facilities** that were constructed to connect another **market participant**, where the existing facilities originally began **commercial operation** within the

- past ~~twenty (20)~~ years and where the share is determined in accordance with subsection ~~3~~ of section ~~9 5.5~~ of the ISO tariff, *Changes to System Access Service*;
- (~~e~~) line moves or burials of existing transmission line;
- ~~(e) communication at the point of delivery or point of supply;~~
- (f) communication enhancements, additions, or both required ~~at the nearest substation with solely to provide~~ communications ~~equipment to allow direct communication between it and service for~~ the connection substation project;
- (g) breakers ~~and associated, changes to protection systems,~~ equipment or settings required for the connection ~~of the new radial transmission line project~~ to an existing substation;
- (h) salvage labour required to remove existing **transmission facilities** to allow the installation of new or replacement facilities for a connection project, ~~except where the cost of the removed facilities is treated as a capital maintenance cost by the owner of the transmission facility~~;
- (i) changes to protection systems, equipment or settings related to the addition of a **generating unit or an aggregated generating facility** on an **electric distribution system** served through the connection substation;
- (j) ~~a remedial action scheme, if required~~ schemes;
- (k) a phasor measurement unit, ~~if required~~;
- (l) the ~~advancement~~ replacement cost new, which is the current cost of similar new equipment having the nearest equivalent capability to the equipment being valued, of existing system transmission facilities included as part of a critical transmission development or regional ~~transmission system~~ project under subsection 3(3)(b) below, calculated as the difference between the present values of the capital costs of the advanced and the as-planned facilities using the discount rate provided in subsection 11 below;
- ~~(m) facilities previously classified as system-related under subsection 3(3)(c) below and now that have been~~ reclassified as participant-related to meet the requirements of the connection project; ~~and~~
- (m) facilities required to connect an isolated community regulated under the *Isolated Generating Units and Customer Choice Regulation*, to the interconnected electric system; and
- (n) other facilities that are required to complete the **market participant's** connection, including ~~transmission facilities~~ facilities that, in the ISO's opinion will be required in the future, or that are required to enable the **market participant** to meet all relevant technical requirements for the connection project.

~~4.2(3) System-related costs will be those costs related to a connection project including non-contiguous components of the project and any costs associated with:~~

~~(a) — looped~~ If the ISO identifies system transmission facilities, which are being transmission facilities that increase the number of electrical paths between any two (2) substations, excluding the substation serving the market are required by the ISO and that the ISO determines will benefit many

market participants, as being required to accommodate a **market participant's** new or increased Rate DTS capacity, then the **ISO** must classify the following costs as participant-~~and which exclude any new radial transmission line;-~~related:

- ~~(b) radial-~~(a) advancement costs, which are the costs associated with the advancement of system **transmission facilities** which, within five (5) years of **commercial operation**, are planned-required to become looped as part of a critical-accommodate the connection project requesting demand transmission development or regional-service, which the **ISO** calculates, using the discount rate provided in subsection 4.9 below, as:
 - ~~(i) if the system **transmission system** project:~~
 - ~~(i) in the **ISO's** most recent long-term **transmission system** plan;~~
 - ~~(ii) **facilities** are not included in an approved **needs identification document** filed with, the **Commission**;- or~~
 - ~~(iii) as-difference between the **ISO** reasonably expects will be required in-cost of the applicable system **transmission facilities** and the calculated future;~~
 - ~~—and~~
 - ~~(e) value of the system **transmission facilities**-, based on a 5-year period;~~
 - ~~(ii) if the system **transmission facilities** are included in an approved **needs identification document** and do not have a set in-service-date, the difference between the cost of the applicable system **transmission facilities** and the calculated future value of the system **transmission facilities**, based on a 5-year period; or~~
 - ~~(iii) if the system **transmission facilities** are included in an approved **needs identification document** and have a scheduled in-service date that can be advanced, the difference between the present value of the capital costs of the advanced and the planned facilities for the number of **months** that the in-service date will be advanced;~~
 - ~~and~~
 - ~~(b) avoidable construction costs, which are the net costs associated with maintaining, at the **market participant's** request, the in-service date for system **transmission facilities** currently under construction, and which the **ISO** determines could be avoided by delaying the completion of construction.~~

4.2(4) System-related costs are the costs of the connection project that have not been classified as participant-related in accordance with subsection 4.2(2) and (3) above, and include incremental **transmission facility costs** in excess of the minimum-size-required-to-**ISO's** preferred connection alternative in accordance with subsection 3.4 of the **ISO tariff**, *System Access Service Requests*, to serve the **market participant** where, ~~in the opinion of-as determined by~~ the **ISO**, economics or **transmission system** planning support the development of such **transmission facilities**.

Facilities in Excess of Good Electric Industry Practice

4.3 A **market participant** must pay, as part of the **construction contribution**, any participant-related costs of facilities ~~which that~~ the **ISO** ~~deems, in its opinion, determines~~ to be in excess of those required by **good electric industry practice**.

Valuation of Facilities for Contribution Determination

~~54.4(1)~~ The ISO ~~must generally~~may determine connection project costs based on the replacement ~~costs~~cost new ~~value~~ of equipment, which is the current cost of similar new equipment having the nearest equivalent capability to the equipment being valued.

~~4.4(2)~~ The ISO must, when a connection project involves the installation of a transformer that replaces a smaller transformer which was removed from service at a substation, determine connection project costs by:

- (a) reducing the participant-related costs for the connection project by the replacement cost new of the removed transformer when the **legal owner** of the **transmission facility** either:
 - (i) deems the transformer which is removed to be re-deployable for use at another substation or suitable for use as an operating spare; or
 - (ii) ~~treats~~identifies the cost of the transformer ~~which is removed, including the cost to remove the transformer~~ as apart of its approved capital maintenance ~~cost~~;
—or
- (b) not reducing the participant-related costs in any other circumstances including when the **legal owner** of the **transmission facility** scraps the transformer ~~which is removed without treating its cost as a capital maintenance cost~~.

Allocation of Costs to Market Participants

~~64.5(1)~~ The ISO must allocate to the **market participant** at the substation at which **system access service** is provided the balance of participant-related costs remaining after:

- (a) the exclusion of costs, if any, under subsection ~~4.3~~ above reflecting facilities in excess of those required by **good electric industry practice**; and
- (b) the reduction of costs, if any, under subsection ~~5.4.4(2)~~ above reflecting replacement of a transformer removed from service.

~~4.5(2)~~ The ISO must allocate the participant-related costs ~~determined~~referred to in subsection ~~6.4.5(1)~~ above among **market participants** receiving **system access service** at a single substation, which services may be solely under Rate_DTS, solely under Rate_STS or under a combination of both.

~~4.5(3)~~ The ISO must allocate the participant-related costs referred to in subsections ~~6.4.5(1)~~ and ~~6(2)~~ above to each **market participant** by multiplying those costs by the average **substation fraction** for the **market participant** determined in accordance with ~~subsection-subsections 5.5(3(3) and (4) of section 9~~ of the ISO_tariff, *Changes to System Access Service-After Energization*.

~~4.5(4)~~ The ISO must deem costs allocated to a **market participant** taking service under Rate_DTS to be demand-related costs.

~~4.5(5)~~ The ISO must deem costs allocated to a **market participant** taking service under Rate_STS to be supply-related costs.

Determination of Construction Contribution

~~74.6(1)~~ The ISO must calculate the **construction contribution** in accordance with the **construction contribution** provisions of the **ISO tariff** in effect on the date on which the ~~Commission issues permit and licence for the connection project~~ **market participant executes a System Access Service Agreement**.

~~4.6(2)~~ ~~A~~ **Subject to subsection 4.6(5) below, a market participant** must pay **the construction contribution** amounts to the **legal owner** of the **transmission facility** in accordance with the **financial obligation** provisions of section ~~5.6~~ of the **ISO tariff**, *Financial Obligations for Connection Projects*.

~~4.6(3)~~ The ISO must calculate the **construction contribution**:

- (a) for a **market participant** receiving service under Rate ~~DTS~~, as the demand-related costs less the local investment determined under subsection ~~8.4.7~~ below.
- (b) for a **market participant** receiving service under Rate ~~STS~~, as the supply-related costs. ~~_____~~

~~4.6(4)~~ A **market participant** ~~receiving service under Rate STS~~ must ~~also pay in~~ **form** the **ISO**, ~~in writing, and in a timely manner, of any legal owner's disagreement with the ISO's determination of the construction contribution~~.

~~4.6(5)~~ ~~Subsection 4.6(2) above does not apply to a connection project in respect of which a market participant has submitted a proposal to the ISO for a generating unit or an aggregated generating the construction and temporary operation of a transmission facility required under in accordance with section 405 of the ISO tariff, Generating Unit Owner's Contribution Transmission Deficiency Regulation.~~

Determination of Local Investment

~~84.7(1)~~ The ISO must calculate the ~~maximal~~ **maximum** local investment:

- (a) based on the **contract capacity** and investment term set out in the ~~system access service agreement~~ **System Access Service Agreement** for a connection project for a **market participant** taking service under Rate ~~DTS~~ or under Rate ~~DTS~~ with Rate ~~PSC~~;
- (b) excluding any **contract capacity** transferred from another **point of delivery**; and
- (c) using an investment term from ~~five (5)~~ to ~~twenty (20)~~ years inclusive, commencing on the date of **commercial operation**.

~~4.7(2)~~ The ISO must calculate the maximum local investment for a connection project for a new **point of delivery** as the sum of annual amounts for each year in the investment term by adding the products of the values from each of rows ~~(c)~~ through (g) of the table below, where the product for a row is calculated by multiplying:

- (a) the **substation fraction** or **contract capacity**, as applicable, from column ~~A~~; and ~~_____~~
- (b) the investment amounts from column B or column C, as applicable. ~~—~~

Column A	Column B	Column C
Tier	Investment for Service Under	Investment for Service Under Rate DTS

Column A	Column B	Column C
	Rate DTS	with Rate PSC
(c) Substation fraction (for new points of delivery only)	\$79,900,105,150 /year	\$16,780,22,080 /year
(d) First (7.5 × substation fraction) MW of contract capacity	\$32,350,34,600 /MW/year	\$6,790,7,270 /MW/year
(e) Next (9.5 × substation fraction) MW of contract capacity	\$20,250,550 /MW/year	\$4,250,320 /MW/year
(f) Next (23 × substation fraction) MW of contract capacity	\$14,450,13,750 /MW/year	\$2,970,890 /MW/year
(g) All remaining MW of contract capacity	\$9,450,8,450 /MW/year	\$0/MW/year

4.7(3) The ISO must calculate the maximum local investment for a connection project that accommodates a **contract capacity** increase at an existing **point of delivery** using:

- (a) the **contract capacity** representing the incremental **contract capacity** since the most recent change in **construction contribution** at the **point of delivery**;
- (b) the **substation fraction** based on **contract capacities** after the increase;
- (c) the existing **contract capacity** to establish the initial tier in which investment becomes available for the incremental **contract capacity**; and
- (d) investment available from subsequent tiers, as appropriate, where the sum of existing and incremental **contract capacities** exceeds the remaining MW in the initial tier.

4.7(4) The ISO must calculate the maximum local investment for a connection project that includes increases or decreases to **contract capacity** over the investment term as the sum of the investment for each incremental amount of **contract capacity**, to be:

- (a) calculated in accordance with subsections ~~8~~ **4.7(2)** and **8(3)** above, based on each increment of **contract capacity** and the years for which each increment is contracted, and
- (b) discounted from the beginning of the first **month** in which the increment of **contract capacity** exists back to the date of **commercial operation** of the connection project, using the discount rate provided in subsection ~~11~~ **4.9** below.

4.7(5) The ISO must determine the maximum local investment as the lesser of:

- (a) the amount calculated in subsection ~~8~~ **4.7(2)**, **8(3)** or **8(4)** above; or
- (b) the demand-related costs.

Operations and Maintenance

94.8(1) A market participant taking service under Rate-DTS must pay, as part of the **construction contribution**, an operations and maintenance charge to be added to any participant-related costs of facilities which are deemed to be in excess of those required by **good electric industry practice** in subsection-4.3 above.

4.8(2) The market participant must estimate and the ISO must agree to the operations and maintenance charge calculated:

- (a) as the present value of the full incremental maintenance cost, incremental operations cost, and overheads associated with the operations and maintenance of the facilities which are deemed to be in excess of those required by **good electric industry practice**; ~~and~~
- (b) over the useful life of those facilities or ~~twenty (20)~~ years, whichever is less.

4.8(3) The market participant must use the discount rate provided in subsection-~~44~~ 4.9 below in the present value calculation.

Limitations

~~10~~—The ISO may exercise discretion in the application of the **construction contribution** provisions in the ISO tariff, including the determination of costs to be system-related in certain circumstances that might, under strict application of the **construction contribution** provisions, have been classified as participant-related.

Discount Rate

114.9(1) The ISO must determine the discount rate ~~applicable to the calculation of construction contributions under this section 8 of the ISO tariff and payments in lieu of notice under section 9 of the ISO tariff~~ as:

$$\frac{\text{discount rate}}{\text{rate}} = \left[(1 - E) \times (\text{YLD} + 1\%) \right] + \left(\frac{E \times \text{ROE}}{1 - T} \right) \quad \text{discount rate} = \left[(1 - E) \times (\text{YLD} + 1\%) \right] + \left(\frac{E \times \text{ROE}}{1 - T} \right)$$

where:

- (a) E is equal to the **Commission**-approved equity ratio applicable to the **legal owner of transmission facilities**, as amended from time to time;
- (b) YLD is equal to the yield on 30-year Government of Canada bonds;
- (c) ROE is equal to the **Commission**-approved rate of return on equity applicable to the **legal owner** of the **transmission facilities**, as amended from time to time; and
- (d) T is equal to the combined federal and provincial income tax rate applicable to the **legal owner** of the **transmission facilities**.

4.9(2) The ISO must use zero ~~(0)~~ as the tax rate T in subsection ~~4.9~~ **4.9(1)** above for a **legal owner** of **transmission facilities** that does not pay income tax, including a non-income tax paying municipal **legal owner** of **transmission facilities**.

Miscellaneous

4.10(1) The ISO must make reasonable efforts to ensure that, where **transmission facilities** must be relocated, the party causing the relocation pays all reasonable costs associated with the relocation.

4.10(2) The ISO must, where new facilities between adjacent **balancing authority areas** are required, allocate the costs of such facilities to the ISO and to the party responsible for costs in the other **balancing authority area** based on the extent to which each benefits directly from the facilities.

4.10(3) The ISO may exercise discretion in the application of the **construction contribution** provisions in the ISO tariff, including the determination of costs to be system-related in certain circumstances that might, under strict application of the **construction contribution** provisions, have been classified as participant-related.

Revision History

Effective	Description
<u>2020-XX-01</u>	<u>Updated investment levels as applied for in the 2020 ISO tariff update application and revised as applied for in the 2018 ISO tariff compliance application.</u>
2019-01-01	Updated investment levels, as approved in Commission Decision 24036-D01-2018 issued on December 18, 2018.
2018-01-01	Updated investment levels, as approved in Commission Decision 23065-D01-2017 issued on November 28, 2017.
2017-01-01	Updated investment levels, as approved on an interim refundable basis in Commission Decision 22093-D01-2016 issued on December 2, 2016.
2016-04-01	Updated investment levels, as approved in Commission Decision 21302-D01-2016 issued on March 31, 2016.
2016-01-01	Updated investment levels, as approved in Commission Decision 20753-D02-2015 issued on December 21, 2015.
2015-07-01	Updated investment levels, as approved in Commission Decision 3473-D01-2015 issued on June 17, 2015 except for subsection 3 which remains as approved in Commission Decision 2011-275 issued on June 24, 2011
2013-10-01	Updated investment levels, as approved on an interim refundable basis in Commission Decision 2013-325 issued on August 28, 2013 and on a final basis in Commission Decision 2014-242 issued on August 21, 2014 except for subsection 3 which remains as approved in Commission Decision 2011-275 issued on June 24, 2011.
2011-07-01	Revised and reformatted all subsections, as approved in Commission Decision 2011-275 issued on June 24, 2011.