

AESO 2018 ISO Tariff Application

Appendix T – Comparison of Proposed and Current Terms and Conditions

As discussed in section 7 of the AESO’s 2018 ISO Tariff Application, this appendix provides a comparison of the provisions in the proposed terms and conditions to the corresponding provisions in the current terms and conditions. The changes to the structure, format, and language throughout the ISO tariff have made a blackline comparison impractical.

Section	Proposed Terms and Conditions	Section	Current Terms and Conditions
Section 1: Applicability and Interpretation of ISO Tariff			
Applicability			
1.1(1)	A market participant who has requested or is receiving system access service from the ISO agrees to be bound by the ISO tariff .	1.1(1)	A market participant who applies for or accepts system access service from the ISO agrees to be bound by the ISO tariff .
1.1(2)	Both the ISO and a market participant are bound by and have the rights and obligations defined in the ISO tariff with respect to system access service that the ISO provides, including rates, riders, terms and conditions and appendices.	1.1(2)	Both the ISO and market participants are bound by and have the rights and obligations defined in the ISO tariff with respect to system access service the ISO provides, including rates, riders, terms and conditions and appendices.
1.1(3)	A rate, rider, section of the terms and conditions or appendix in the ISO tariff is effective as of the date provided in the revision history of the rate, rider, section of the terms and conditions or appendix, as applicable.	1.1(3)	The ISO tariff becomes effective as of the date provided in the revision history of each rate, rider, section, or appendix and only when approved by the Commission and each rate, rider, section, or appendix of the ISO tariff remains in effect until the Commission approves its replacement or amendment.
1.1(4)	A rate, rider, section of the terms and conditions or appendix of the ISO tariff remains in effect until the Commission approves its replacement or amendment.		
Conflict			
	<i>[removed]</i>	1.2(1)	The ISO has certain powers, duties and responsibilities as described in the Act and nothing in the ISO tariff in any way restricts or limits those powers, duties and responsibilities.

Section	Proposed Terms and Conditions	Section	Current Terms and Conditions
1.2(1)	In the event of a conflict between the terms and conditions of the ISO tariff and the rates, riders or appendices of the ISO tariff , the terms and conditions govern.	1.2(2)	In the event of any conflict between the terms and conditions of the ISO tariff and the rates, riders or appendices of the ISO tariff , the terms and conditions govern.
1.2(2)	In the event of a conflict between a provision of the ISO tariff and a provision of an agreement for system access service , the provision of the ISO tariff governs the specific provision in conflict without affecting or impairing the remaining sections of the agreement for system access service .	1.2(3)	In the event of any conflict between the ISO tariff and a section of an agreement for system access service , the ISO tariff governs the specific section in conflict without affecting or impairing the remaining sections of the agreement for system access service .
Interpretation			
1.3	In the ISO tariff :	1.3	In the ISO tariff :
1.3 (a)	tables of contents, section headers and the use of underlining and italicizing are not a part of the ISO tariff but are inserted for convenience of reference only;	1.3 (a)	tables of contents, section headers and the use of underlining and italicizing are not a part of the ISO tariff but are inserted for convenience of reference only;
1.3 (b)	words in the singular include the plural and words in the plural include the singular;	1.3 (b)	words in the singular include the plural and words in the plural include the singular;
	<i>[removed]</i>	1.3 (c)	words importing male persons include female persons , words importing female persons include male persons and words importing either sex include corporations;
1.3 (c)	the provisions of the ISO tariff will be construed as always speaking and will be applied to circumstances as they arise;	1.3 (d)	the provisions of the ISO tariff will be construed as always speaking and will be applied to circumstances as they arise;
1.3 (d)	the use of the word “including” is not to be construed as being restrictive;	1.3 (e)	the use of the word “including” is not to be construed as being restrictive;
1.3 (e)	“may” is to be construed as permissive and empowering and “must”, “shall” and “will” are to be construed as imperative;	1.3 (f)	“may” is to be construed as permissive and empowering and “must”, “shall” and “will” are to be construed as imperative;
	<i>[removed]</i>	1.3 (g)	all references to a time of day in the ISO tariff mean mountain standard or mountain daylight time in the Province of Alberta,

Section	Proposed Terms and Conditions	Section	Current Terms and Conditions
1.3 (f)	words and phrases in bold type have the meanings given to them in the definitions found in the <i>Consolidated Authoritative Documents Glossary</i> ; and	1.3(h)	whichever is in effect on the day in question;
1.3 (g)	titles of documents are in italics.	1.3(i)	titles of documents are in italics.
Reasonable Exercise of Discretion			
1.4	The ISO and a market participant who has requested or is receiving system access service must act reasonably in exercising any discretion available to them under the ISO tariff .	<p>§8 of section 2</p> <p>§10 of section 8</p> <p>§6(4) of section 12</p>	<p>Reasonable Exercise of Discretion The ISO, the legal owner of the transmission facility and the market participant, individually and collectively, must exercise discretion acting reasonably in every instance, where discretion is permitted by the ISO tariff either explicitly or implicitly through the use of “may”, and whether with respect to granting consent or withholding consent to a particular matter or otherwise.</p> <p>Limitations 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.</p> <p>Effect of Disqualification The ISO may, in its sole discretion, recover retroactive amounts for the period during which such market participant did not qualify for, but was billed under, Rate DOS</p>

Dispute Resolution		Jurisdiction	
1.5	A market participant must address any dispute concerning the application, interpretation or enforceability of the ISO tariff in accordance with section 103.2 of the ISO rules , <i>Dispute Resolution</i> .	1.4(1)	The ISO and market participants must address any dispute concerning the application, interpretation or enforceability of the ISO tariff in accordance with section 103.2 of the ISO rules , <i>Dispute Resolution</i> .
	[removed]	1.4(2)	Any such dispute is within the exclusive jurisdiction of the Commission or Courts of the Province of Alberta, as applicable, and any related legal proceedings must be commenced, heard and adjudicated within the applicable Alberta forum.
Section 2: Provision of System Access Service			
Applicability			
2.1	This section applies to a market participant who has requested or is receiving system access service under a rate in the ISO tariff .	2.1	This section applies to a market participant who has requested or is receiving system access service under any rate in the ISO tariff .
		3.1	This section applies to a market participant who has requested or is receiving system access service under any rate in the ISO tariff .
Provision of Service			
2.2(1)	The ISO must provide system access service , up to and including the applicable point of delivery or point of supply , to a market participant who has a current agreement for system access service and complies with the ISO tariff , subject to subsections 2.2(3) and 2.3 through 2.12 below..	2.2(1)	The ISO must provide system access service , up to and including the applicable point of delivery or point of supply , to a market participant who has a current agreement for system access service and complies with the ISO tariff , subject to subsections 3, 4, 5 and 6 below.
2.2(2)	The ISO must provide system access service up to the contract capacity of the market participant .	2.2(2)	The ISO must provide such system access service up to the contract capacity of the market participant .

<p>2.2(3) The ISO may limit, reduce or interrupt system access service in accordance with any ISO rule, or due to abnormal operating conditions, which include conditions where transmission facilities are out of service, emergency conditions exist, construction or commissioning of transmission facilities occurs or transmission facility maintenance cannot be coordinated with planned outages of a generating unit or an aggregated generating facility.</p>	<p>2.2(3) The ISO may limit, reduce or interrupt system access service under any applicable ISO rule or due to abnormal operating conditions which include, as defined in the <i>Transmission Regulation</i>, conditions where transmission facilities are out of service, emergency conditions exist, construction or commissioning of transmission facilities occurs or transmission facility maintenance cannot be coordinated with planned outages of a generating unit or an aggregated generating facility.</p>
<p>Capacity Limitations</p>	<p>Metered Demand Limitations</p>
<p>2.3 A market participant receiving system access service under Rate DTS, <i>Demand Transmission Service</i>, or Rate STS, <i>Supply Transmission Service</i>, must ensure that metered demand does not exceed the lesser of the rated capacity or the physical capacity of any transmission facilities comprising the market participant's connection.</p>	<p>2.3(1) A market participant receiving system access service under Rate DTS, <i>Demand Transmission Service</i>, or Rate STS, <i>Supply Transmission Service</i>, must ensure metered demand does not exceed the lesser of the rated capacity or the physical capacity of any transmission facilities comprising the market participant's connection, subject to subsections 3(3) and 3(4) below.</p>
<p>[removed]</p>	<p>2.3(2) The ISO has the right to discontinue system access service if the metered demand exceeds either the rated capacity or the physical capacity of any transmission facilities comprising a market participant's connection, until the market participant installs equipment to limit the metered demand to the rated capacity or physical capacity, as applicable.</p>
<p>[removed]</p>	<p>2.3(3) A market participant receiving system access service under Rate DTS may temporarily exceed the rated capacity of transmission facilities comprising its connection, but only where the ISO has approved a transaction under Rate DOS for the market participant at the applicable point of delivery.</p>

[removed]	2.3(4) A market participant receiving system access service under Rate STS may temporarily exceed the rated capacity of transmission facilities comprising its connection, but only with the ISO's consent, obtained on a minimum twenty-four (24) hours' notice, which the ISO withhold if the ISO determines that the transmission system cannot safely accommodate the proposed energy without risk of disturbance to other market participants .
Withholding Service	
2.4(1) The ISO may limit, reduce, suspend, withhold or terminate system access service if a market participant fails to comply with the ISO rules, reliability standards, or the ISO tariff .	2.4(1) The ISO may limit, reduce, withhold or terminate system access service if a market participant fails to comply with any provision of the ISO tariff .
2.4(2) The ISO must provide a written explanation for a decision to limit, reduce, suspend, withhold or terminate system access service , based on a finding of non-compliance pursuant to subsection 2.4(1) above, to an affected market participant who submits a written request to the ISO for those details.	2.4(2) The ISO must provide a written explanation for limiting, reducing, withholding or terminating system access service to an affected market participant who submits a written request for those details.
Service Not Guaranteed	
2.5(1) The ISO must take reasonable precautions to guard against system access service limitations, reductions and interruptions, but does not guarantee uninterrupted system access service .	2.5(1) The ISO must take reasonable precautions to guard against system access service limitations, reductions and interruptions, but can not and does not guarantee uninterrupted system access service .
2.5(2) Interruptions may be caused by events including: <ul style="list-style-type: none"> (a) scheduled or planned facility maintenance activities; (b) construction, commissioning and facility testing activities; (c) activation of a remedial action scheme; (d) unscheduled or unplanned emergency equipment maintenance or other emergencies; (e) events of force majeure; (f) breaches of obligations owed to the ISO by its suppliers or 	2.5(2) Interruptions may be caused by events including: <ul style="list-style-type: none"> (a) scheduled or planned facility maintenance activities; (b) construction, commissioning and facility testing activities; (c) unscheduled or unplanned emergency equipment maintenance or other emergencies; (d) events of force majeure; (e) breaches of obligations owed to the ISO by its

<p>market participants; or (g) as otherwise expressly allowed by a rate or rider in the ISO tariff.</p>	<p>suppliers or market participants; or (f) as otherwise expressly allowed by a rate or rider in the ISO tariff.</p>
<p>2.5(3) If a market participant accepts a tapped transmission line configuration, being a transmission line with 3 or more terminals where 2 or more terminals are system sources, for system access service, the market participant acknowledges and accepts that the tapped transmission line configuration may compared to other configurations, result in more frequent interruptions and less outage coordination flexibility related to abnormal operating conditions compared to other configurations, including instances where transmission facilities are out of service, emergency conditions exist, construction or commissioning of transmission facilities occurs, and transmission facility maintenance cannot be coordinated with planned outages of a generating unit or an aggregated generating facility.</p>	<p><i>[new]</i></p>
<p>2.5(4) The ISO must make reasonable efforts to restore system access service as soon as practicable after a limitation, reduction or interruption, unless the limitation, reduction or interruption is due to the market participant failing to comply with the ISO rules, reliability standards or the ISO tariff.</p>	<p>2.5(3) The ISO must make reasonable efforts to restore system access service as soon as practicable after a limitation, reduction or interruption, except where the limitation, reduction or interruption is due to the market participant failing to comply with the ISO tariff.</p>
<p>Interruptions for Construction, Commissioning and Facility Testing</p>	
<p>2.6 The ISO must make reasonable efforts to schedule construction, commissioning and facility testing activities in conjunction with an affected market participant's planned downtime but, subject to such efforts, may interrupt system access service to perform such activities.</p>	<p>2.6 The ISO must make reasonable efforts to schedule construction, commissioning and facility testing activities in conjunction with planned downtime of an affected market participant's but, subject to such efforts, may interrupt system access service to perform such activities.</p>

Market Participant's Continuing Financial Obligations			
2.7 A market participant's financial obligation to pay a rate, charge or other amount that has accrued or is accruing to the ISO and to fully comply with the ISO tariff is not affected during or as the result of any limitation, reduction, interruption, withholding or termination of system access service .	2.7 A market participant's financial obligation to pay any rate, charge or other amount that has accrued or is accruing to the ISO and to fully comply with the ISO tariff are not affected during or as the result of any limitation, reduction, interruption, withholding or termination of system access service .		
<i>[moved to subsection 1.4]</i>	2.8 The ISO, legal owner of the transmission facility and the market participant , individually and collectively, must exercise discretion acting reasonably in every instance, where discretion is permitted by the ISO tariff either explicitly or implicitly through the use of "may", and whether with respect to granting consent or withholding consent to a particular matter or otherwise.		
Technical Requirements			
2.8(1) A market participant receiving system access service must comply with a technical requirement or functional specification of the ISO that applies to the connection of the market participant's facility to the interconnected electric system .	3.2(1) A market participant receiving system access service must comply with the technical requirements set out in the ISO rules . 3.2(2) A market participant receiving system access service must also comply with the requirements, obligations and guidelines that apply to the connection of the market participant's facilities to the interconnected electric system . 3.2(3) The ISO must identify such requirements, obligations and guidelines in documents it prepares, publishes and may amend or supplement from time to time, with respect to matters including transmission lines, generating units and aggregated generating facilities , loads, communications, phasor measurement units, protection, revenue metering, supervisory control and data acquisition and transmission data.		
2.8(2) The ISO must post a technical requirement referred to under subsection 2.8(1) above on the AESO website.	3.2(4) The ISO must make such documents available to market participants on the AESO website and on request		

Technical Requirements	Compliance
2.8(3) The ISO may limit, reduce, suspend, withhold or terminate the system access service being provided to a market participant for failure to comply with a technical requirement or functional specification referred to under subsection 2.8(1) above.	3.5(1) The ISO may withhold, suspend or terminate the system access service of a market participant for failure to comply with the provisions of the ISO rules, technical requirements, obligations or guidelines described in subsection 2 above.
2.8(4) The ISO may waive compliance with a technical requirement referred to under subsection 2.8(1) above if the ISO determines that non-compliance would not have a material impact on reliability .	3.5(2) The ISO may waive compliance with subsection 2 above if the ISO determines that non-compliance would not have a detrimental effect on system reliability and where the imposition of the technical requirements, obligations or guidelines would create severe hardship or unnecessary costs to an existing market participant .
Facilities Owned by a Market Participant	
2.9(1) A market participant is responsible for any costs arising from changes to its facilities required as a result of: <ul style="list-style-type: none"> (a) changes to the interconnected electric system that affect the market participant's connection; (b) changes to the ISO rules, reliability standards, functional specification or technical requirements that apply to the connection, subject to subsection 2.9(2) below, or (c) additional studies needed to ensure compliance with changes to the ISO rules, reliability standards or technical requirements. 	3.3(1) A market participant is responsible for all the facilities it owns and which are connected to the interconnected electric system , and the ISO has no responsibility in respect of service provided over market participant facilities. 3.3(2) A market participant is responsible for any costs arising from changes to its facilities required as a result of: <ul style="list-style-type: none"> (a) changes to the interconnected electric system that affect the connection; (b) changes to requirements, obligations and guidelines that apply to the connection, subject to subsection 3(3) below, or (c) additional studies needed to ensure compliance with such requirements, obligations and guidelines.

<p>2.9(2) The ISO must pay to the legal owner of a generating unit all costs prudently incurred in the installation of an automatic voltage regulator or power system stabilizer if the ISO requires the installation of such equipment on a regulated generating unit listed in Appendix A of the ISO tariff, subject to the approval of the Commission for the recovery of such costs through the ISO tariff.</p>	<p>3.3(3) The ISO must pay to the legal owner of a generating unit all costs prudently incurred in the installation of an automatic voltage regulator or power system stabilizer when the ISO requires the installation of such equipment on a regulated generating unit listed in Appendix A of the ISO tariff, subject to the approval of the Commission for the recovery of such costs through the ISO tariff.</p>
<p>Use of Transmission Facilities</p>	
<p>2.10 A market participant must not rearrange, disconnect, remove, connect with or otherwise interfere with a transmission facility unless the ISO's prior written consent is obtained.</p>	<p>3.4 Neither a market participant nor any other person may rearrange, disconnect, remove, connect with or otherwise interfere with any transmission facility without the ISO's prior written consent.</p>
<p>System Access Information</p>	
<p><i>[some provisions removed and others moved to section 2 of the proposed ISO tariff]</i></p>	<p>7.1 This section applies to a market participant who has requested or is receiving system access service under any rate in the ISO tariff.</p>
<p>2.11(1) A market participant must provide, upon the ISO's request, information that the ISO requires in order to discharge its duties and functions under the Act or in compliance with an external agency's reporting requirements.</p>	<p>7.2(1) A market participant must provide, upon the ISO's request, information that the ISO requires in order to discharge its duties and functions under the Act or in compliance with any external agency's reporting requirements, which includes:</p> <ul style="list-style-type: none"> (a) information the ISO requires in respect of new or expanding system access service; and (b) technical information during construction and prior to the issuance of energization authorization, including pre-commissioning information.

<p>2.11(2) The ISO must specify the information the market participant must provide under subsection 2.11(1) above, which may include:</p> <ul style="list-style-type: none"> (a) information the ISO requires in respect of new or expanding system access service; and (b) technical information the ISO requires during construction and prior to the issuance of energization authorization, including pre-commissioning information. 	<p>7.2(2) The ISO must specify the information the market participant must provide.</p>
<p>Operating and Forecast Information</p>	
<p><i>[removed]</i></p>	<p>7.3(1) A market participant must provide any of the following information which the ISO may request from time to time but generally not more than once during a 12-month period:</p> <ul style="list-style-type: none"> (a) a copy of the market participant's operating procedures; (b) a schedule of planned outages for the following two (2) calendar years; or (c) forecast information for the following five (5) calendar years, including: <ul style="list-style-type: none"> (i) forecast maximum contract capacity by point of delivery and point of supply, by month; (ii) the location and size of any required new point of delivery or point of supply, by year; and (iii) the name and location of any existing point of delivery or point of supply which may no longer be required, by year. <p>7.3(2) The ISO may provide forms for provision of the required update and forecast information.</p>

Effect of Non-Compliance	
<p>2.12(1) The ISO may, if a market participant fails to provide information that may have an impact on safety or reliability:</p> <ul style="list-style-type: none"> (a) withhold the market participant's system access service until the market participant provides the information to the ISO; or (b) limit, reduce, suspend or terminate the market participant's System Access Service Agreement. 	<p>7.4(1) The ISO may, if a market participant fails to provide information that may have an impact on safety or system reliability:</p> <ul style="list-style-type: none"> (a) delay or withhold the system access service of the market participant's until the market participant provides the information to the ISO; or (b) terminate the market participant's agreement for system access service.
<p>2.12(2) The ISO is not responsible for any delay, interruption, damage or other problems affecting a market participant's system access service caused by a delay in the provision of information required from the market participant under subsection 2.11(1), above.</p>	<p>7.4(2) The ISO is not responsible for any delay, interruption, damage or other problems affecting the system access service of a market participant caused by a delay in the provision of information required from a market participant.</p>
Section 3: System Access Service Requests	
Applicability	
<p>3.1(1) This section applies to a market participant who has requested a new system access service or changes to an existing system access service under:</p> <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>; (c) Rate PSC, <i>Primary Service Credit</i>; or (d) Rate STS, <i>Supply Transmission Service</i>. 	<p>4.1 This section applies to a market participant who has requested a new system access service or changes to an existing system access service under:</p> <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>; (c) Rate PSC, <i>Primary Service Credit</i>; or (d) Rate STS, <i>Supply Transmission Service</i>.
Applying for System Access Service or Change to an Existing System Access Service	
<p>3.2(1) A market participant wishing to receive a new system access service or change an existing system access service must submit a request for system access service to the ISO, in the form specified by the ISO on the AESO website.</p>	<p>4.2(1) A market participant must apply in writing to the ISO to request a new system access service or to change an existing system access service.</p>
<p>3.2(2) A market participant must provide the following critical</p>	<p>4.7(1) The ISO must establish critical requirements for a connection</p>

information, as part of its request under subsection 3.2(1) above:

- (a) if the **market participant** is not the **legal owner** of an **electric distribution system**:
 - (i) the requested **contract capacity** or requested change in **contract capacity** by generation, load, or combination of both, including **contract capacity** by stage if applicable; and
 - (ii) the **maximum capability** of each **generating unit** or **aggregated generating facility** by feeder;
- (b) if the **market participant** is the **legal owner** of an **electric distribution system**:
 - (i) the requested Rate STS **contract capacity** or requested change in Rate STS **contract capacity**, including **contract capacity** by stage if applicable, as assessed by feeder by taking the sum of the **maximum capability** of a **generating unit** or **aggregated generating facility** that will be connected at each feeder to the **transmission system**, less the minimum feeder load level;
 - (ii) the **maximum capability** of each **generating unit** or **aggregated generating facility** by feeder, connected to the **electric distribution system**; and
 - (iii) the requested Rate DTS **contract capacity** or requested change in Rate DTS **contract capacity**, including **contract capacity** by stage, if applicable, using the expected coincident sum of the flows from each feeder connected to the **transmission system**;
- (c) generation type(s) in the case of a **generating unit** or

project, including payment of:

- (a) any **construction contribution** determined under section 8 of the **ISO tariff**; and
- (b) any **legal owner's** contribution for a **generating unit** or an **aggregated generating facility** determined under section 10 of the **ISO tariff**.

<p>aggregated generating facility;</p> <p>(d) in-service date, including the dates relating to any staged contract capacity request;</p> <p>(e) location of the load or generation related to the request of the market participant; and</p> <p>(f) if load and generation related to the request of the market participant are or will be located with the market participant's existing industrial complex or other facility, whether the load and generation will be metered on a gross or net basis.</p>	
<p>3.2(3) In addition to the critical information set out in subsection 3.2(2) above, the ISO may establish additional critical information as part of the ISO's connection process and a market participant must provide any additional critical information that exists at the time the market participant makes a system access service request.</p>	<p><i>[new]</i></p>

<p>3.2(4) If a market participant requesting system access service is the legal owner of an electric distribution system and its system access service request contemplates a load transfer from one point of delivery to another point of delivery, or is related to another system access service, then the market participant must include the following additional critical information as part of its system access service request: (a) a list of the related system access service request(s);</p> <ul style="list-style-type: none"> (b) the amount of any load transfer from one point of delivery to another point of delivery; (c) all distribution and transmission connection alternatives, or combinations of both, that have been considered by the legal owner of the electric distribution system; (d) the larger geographical area considered, including any point of delivery or point of supply in the area; (e) a complete description of why the system access service request is necessary; and (f) any other information that the ISO determines to be relevant. 	<p>[new]</p>
<p>3.2(5) A market participant must make separate requests for changes to existing system access services at each point of delivery and point of supply at a single point of connection, unless the market participant is requesting or currently receiving system access service under both Rate DTS, <i>Demand Transmission Service</i>, and under Rate STS, <i>Supply Transmission Service</i> at a single point of connection.</p>	<p>4.2(2) A market participant must make separate requests for changes to existing system access services at each point of delivery and point of supply at a single transmission substation.</p>
<p>Review of System Access Service request</p>	
<p>3.3(1) The ISO may, at any point in the ISO's connection process, reject a system access service request submitted to the ISO under subsection 3.2 above if the ISO determines the request to be incomplete.</p>	<p>[new]</p>

<p>3.3(2) If the ISO determines a system access service request under subsection 3.2 above to be complete, then the ISO must determine if the construction of transmission facilities is required to respond to the request.</p>	<p>[new]</p>
<p>3.3(3) If the construction of transmission facilities is required under subsection 3.3(2) above, then the market participant must follow the connection process described on the AESO's website and pay a construction contribution in accordance with section 4, of the ISO tariff, <i>Classification and Allocation of Connection Projects Costs</i>.</p>	<p>4.3(3) If the ISO determines that providing system access service requires the construction of transmission facilities:</p> <ul style="list-style-type: none"> (a) the ISO must determine the connection project scope, assign the project to a legal owner of a transmission facility and confirm the process for completing the connection project for the project; and (b) the market participant must at all times, throughout the system access service request process, satisfy the financial obligations required by section 5 of the ISO tariff, <i>Financial Obligations for Connection Projects</i>.
<p>3.3(4) If construction of transmission facilities is not required under subsection 3.3(2) above, then the market participant must follow the contract change process. The ISO must prepare an amendment to the market participant's System Access Service Agreement substantially in the form included in Appendix B of the ISO tariff, <i>System Access Service Agreement Proformas</i>, and may require an adjustment to the construction contribution in accordance with section 5 of the ISO tariff, <i>Changes to System Access Service</i>.</p>	<p>4.3(4) If the ISO determines that providing system access service does not require the construction of transmission facilities:</p> <ul style="list-style-type: none"> (a) the ISO must assess whether the request can be accommodated on the existing transmission system and, if so, must proceed to prepare an amendment to the market participant's agreement for system access service; and (b) the ISO may require payment of an amount determined in accordance with section 9 of the ISO tariff, <i>Changes to System Access Service After Energization</i>.
<p>ISO Preferred Alternative</p>	
<p>3.4(1) If construction of transmission facilities is required for a connection project, the ISO must determine how to respond to the system access service request, and select the ISO's preferred connection alternative taking into account relevant factors including the following:</p>	<p>[new]</p>

<p>(a) the overall long-term cost of a connection alternative, including, as applicable:</p> <ul style="list-style-type: none"> (i) if the system access service request was submitted by the legal owner of an electric distribution system, all distribution costs; (ii) costs classified as participant-related in accordance with subsection 4.2(2) of the ISO tariff, Classification and Allocation of Connection Projects Costs; (iii) costs associated with system transmission facilities, being transmission facilities that the ISO determines will benefit many market participants, identified in subsection 3.4(1)(b) and (c) below; and (iv) all other transmission costs (including the costs of any non-wires solutions) not included in subsection 3.4(1)(a)(i), (ii) and (iii) above required for the connection; 	
<ul style="list-style-type: none"> (b) if the system access service request is for Rate DTS, the effect of a connection alternative on the transmission system, including all transmission constraints, under Category A and Category B conditions as described in reliability standards, as a result of the connection alternative, and the system transmission facilities required to resolve the transmission constraints; and (c) if the system access service request is for Rate STS, the effect of a connection alternative on the transmission system, including: <ul style="list-style-type: none"> (i) all transmission constraints under Category A conditions as described in reliability standards, that are a result of the connection alternative, and the system transmission facilities required to resolve the transmission constraints; 	<p>[new]</p>

<p>(ii) all transmission constraints under Category B conditions as described in reliability standards, that are a result of the connection alternative, the system transmission facilities required to operationally manage the transmission constraints, and the operating procedures required to manage the Category B transmission constraints; and</p> <p>(iii) all transmission constraints under Category B conditions as described in reliability standards, that are a result of the connection alternative and cannot be managed operationally, then the system transmission facilities required to resolve the transmission constraints.</p> <p>and;</p> <p>if the system access service request is for both Rate DTS and Rate STS, the ISO must consider the effect on the transmission system separately for Rate DTS and Rate STS.</p> <p>(d) if the system access service request is for both Rate DTS and Rate STS, the ISO must consider the effect on the transmission system separately for Rate DTS and Rate STS.</p>	
<p>(d) if the system access service request is for both Rate DTS and Rate STS, the ISO must consider the effect on the transmission system separately for Rate DTS and Rate STS.</p>	<p><i>[new]</i></p>

3.4(2)

For a **system access service** request for Rate DTS under subsections 3.4(1)(b) or (d) above, if the **ISO's** preferred alternative includes system **transmission facilities**, then the **market participant** must:

- (a) accept the preferred alternative and pay any applicable advancement costs determined by the **ISO** in accordance with subsection 4.2(3)(a) of the **ISO tariff**, *Classification and Allocation of Connection Projects Costs*;
- (b) amend the **market participant's system access service** request to connect at a reduced **contract capacity** that:
 - (i) can be accommodated by the existing **transmission system**; and
 - (ii) as determined by the **ISO**, allows for a minimum of 5 years of area growth following the **market participant's** projected in-service date, or such other reduced **contract capacity** or period of time that the **ISO** determines to be consistent with the **ISO's transmission system** planning obligations and the safe, reliable and economic operation of the **interconnected electric system**;
- (c) amend the **market participant's system access service** request to connect at an in-service date that is a minimum of 5 years following the execution of an agreement for **system access service** for Rate DTS substantially in the form included in Appendix B of the **ISO tariff**, *System Access Service Agreement Proformas*; or
- (d) withdraw the **system access service** request.

[new]

<p>3.4(3) For a system access service request for Rate STS under subsections 3.4(1)(c) or (d) above, if the ISO's preferred alternative includes system transmission facilities, then the market participant must:</p> <ul style="list-style-type: none"> (a) accept the ISO's preferred alternative; (b) amend the market participant's system access service request to connect at a reduced contract capacity that the ISO determines to be consistent with the ISO's transmission system planning obligations and the safe, reliable and economic operation of the interconnected electric system; or (c) withdraw the system access service request. 	<p>[new]</p>
<p>3.4(4) If the construction of transmission facilities is required for a connection project, the ISO must examine a connection alternative that does not give rise to any transmission constraints as described in subsection 3.4(1)(b) or (c) above.</p>	<p>[new]</p>
<p>3.4(5) Estimates required by the ISO to compare connection alternatives must be prepared with the same accuracy range, completed, at a minimum, to the level required for need identification documents and include all costs that have identified in subsection 3.4(1)(a) above.</p>	<p>[new]</p>
<p>3.4(6) The ISO must calculate a construction contribution for a connection project and must classify all transmission costs of the connection project as either participant-related or system-related in accordance with section 4 of the ISO tariff, Classification and Allocation of Connection Projects Costs.</p>	<p>[new]</p>

	Preparation of Connection Proposal
[removed]	<p>4.4(1) The market participant is responsible for, and may work with the legal owner of the transmission facility or other parties in the preparation of the connection proposal which must include:</p> <ul style="list-style-type: none"> (a) the facility design document, including an estimate of project costs and a single-line diagram of the proposed transmission facilities; (b) technical studies for the connection project; and (c) any required land and environmental impact assessments.
[removed]	<p>4.4(2) The ISO may, notwithstanding subsection 5(1) above, complete the technical studies for a connection project when the ISO:</p> <ul style="list-style-type: none"> (a) anticipates the impact on the transmission system may be significant; or (b) is planning transmission system development in the area and must include the connection project in the integrated development plan.
[removed]	<p>4.4(3) The ISO must, if it considers it necessary, complete one (1) loss factor study for a connection project, at no cost to the market participant, but must charge the market participant \$2 500 for each additional loss factor study the market participant requests, if any.</p>
[removed]	<p>4.4(4) The market participant is responsible for any other studies required to support the connection proposal and the ISO must provide the market participant with ISO information required for the studies.</p>

[removed]	<p>4.4(5) The ISO must, upon receipt of a complete connection proposal, including all required studies:</p> <ul style="list-style-type: none"> (a) review the proposal; (b) identify and communicate to the market participant any deficiencies to be addressed by the market participant; and (c) accept the connection proposal after deficiencies, if any, have been addressed.
[removed]	<p>4.4(6) The ISO must include the connection project in the ISO's connection queue upon:</p> <ul style="list-style-type: none"> (a) accepting the connection proposal; (b) receiving the technical data required for the preparation of the needs identification document for the connection project; and (c) receiving confirmation from the legal owner of the transmission facility that the market participant has met the financial obligations of section 5 of the ISO tariff, <i>Financial Obligations for Connection Projects</i>.
Preparation of Needs Identification Documents and Facility Applications	
[removed]	<p>4.5(1) The ISO is responsible for, and may work with the legal owner of the transmission facility or other parties in, the preparation of a needs identification document as required for the connection project.</p>
[removed]	<p>4.5(2) The ISO may direct the legal owner of the transmission facility to assist in preparing the needs identification document by:</p> <ul style="list-style-type: none"> (a) completing a participant involvement program; (b) providing an estimate of project costs; and (c) completing other studies for the connection project.

<p>[removed]</p>	<p>4.5(3) The ISO may direct the legal owner of the transmission facility or request a market participant to prepare a facility application for the connection project, when the ISO includes the connection project in the ISO's connection queue.</p>
	<p>Submission to the Commission</p>
<p>[removed]</p>	<p>4.6(1) The ISO must submit to the Commission the needs identification document for the connection project.</p> <p>4.6(2) The legal owner of the transmission facility or the market participant must submit to the Commission the facility application for the connection project.</p> <p>4.6(3) The ISO must work cooperatively with the legal owner of the transmission facility or the market participant, as applicable, to facilitate all submissions to the Commission.</p> <p>4.6(4) The ISO must:</p> <ul style="list-style-type: none"> (a) review a potential requirement for any new or revised section of the ISO rules identified during the preparation of a needs identification document or facility application for the connection project; and (b) draft a new or revised section of the ISO rules and submit it to the Commission if applicable.

		Requirement of Market Participant to Act	
	[removed]	4.7(2)	A market participant must meet the critical requirements the ISO establishes.
Construction Commitment Agreement			
3.5(1)	<p>The person providing financial security, construction contribution or both for a connection project must enter into a <i>Construction Commitment Agreement</i>, substantially in the form included in Appendix B of the ISO tariff, System Access Service Agreement Proformas with the legal owner of a transmission facility, unless:</p> <p>(a) the market participant is a legal owner of an electric distribution system; or</p> <p>(b) the market participant and the legal owner of the transmission facility are affiliates.</p>	5.2(8)	The market participant and the legal owner of the transmission facility must enter into the construction commitment agreement for the connection project except where the ISO waives the requirement for construction commitment agreements between a legal owner of an electric distribution system and a legal owner of transmission facilities who are affiliates .
3.5(2)	<p>The person providing financial security, construction contribution or both for a connection project must provide the ISO with an executed copy of a <i>Construction Commitment Agreement</i> referred to in subsection 3.5(1), as well as a record of the financial security and construction contribution unless the legal owner of the transmission facility provides a copy of the same to the ISO.</p>	5.2(9)	The legal owner of the transmission facility must maintain records of the construction commitment agreement, financial security and construction contribution related to the connection project and provide a copy of those records to the ISO upon request.

Execution of Agreement for System Access Service		
<p>3.6(1) A market participant must execute a <i>System Access Service Agreement</i> for Rate DTS or for Rate STS substantially in the form included in Appendix B of the ISO tariff, <i>System Access Service Agreement Proformas</i>, as applicable:</p> <p>(a) if the construction of transmission facilities is required for a connection project, before the ISO submits a needs identification document to the Commission or, before the ISO approves the connection project under the abbreviated needs approval process provided for under the <i>Transmission Deficiency Regulation</i>; or</p> <p>(b) if the construction of transmission facilities is not required for a connection project, within 30 days of the issuance of a letter by the ISO acknowledging completion of an engineering connection assessment for the project, or within such later time period that the ISO determines to be reasonable in the circumstances.</p>	<p>[new]</p>	
<p>3.6(2) A market participant must execute a <i>System Access Service Agreement</i> for Rate STS for a contract capacity that the ISO determines:</p> <p>(a) approximates the sum of maximum net flow into the transmission system; or</p> <p>(b) for a market participant who is the legal owner of an electric distribution system, approximates the sum, by individual feeder, of maximum net flow into the transmission system.</p>	<p>[new]</p>	

<p>3.6(3)</p>	<p>A market participant must execute a <i>System Access Service Agreement</i> for Rate STS for a contract capacity that, in the ISO's determination:</p> <ul style="list-style-type: none"> (a) if a market participant is not the legal owner of an electric distribution system, approximates the expected maximum coincident sum of the flows at each feeder into the transmission system; or (b) if a market participant is the legal owner of an electric distribution system, approximates the sum by feeder to the transmission system, of the maximum capability of all generating units or aggregated generating facilities that will be connected at the feeder to the transmission system, less minimum load at the feeder at the time when all of maximum capability of all generating units at the feeder is available. 	<p>[new]</p>
<p>3.6(4)</p>	<p>Notwithstanding subsections 3.6(2) and 3.6(3) above, a market participant may execute a <i>System Access Service Agreement</i> for Rate DTS or Rate STS in respect of an industrial complex at a contract capacity determined by the market participant and on either a gross or net metered basis.</p>	<p>[new]</p>
<p>3.6(5)</p>	<p>Prior to executing a <i>System Access Service Agreement</i> for Rate DTS or Rate STS for a connection project when the construction of transmission facilities is required, a market participant must inform the ISO of any regulatory approvals and non-financial matters that the market participant expects could cause a delay or prevent the achievement of the in-service date that has been requested by the market participant, together with the expected dates for the receipt of the regulatory approvals and successful resolution of the non-financial matters.</p>	<p>[new]</p>

3.6(6)	The ISO must include as a condition precedent in Section 2 of the <i>System Access Service Agreement</i> , the receipt of any regulatory approvals identified by the market participant pursuant to subsection 3.6(5) above that the ISO determines could cause a delay or prevent the achievement of the in-service date that has been requested by the market participant .	[new]
3.6(7)	The ISO may, in its discretion, include as a condition precedent in Section 2 of the <i>System Access Service Agreement</i> , the successful resolution of any non-financial matters identified by the market participant pursuant to subsection 3.6(5) above.	[new]
3.6(8)	If the construction of transmission facilities is not required for a connection project, the ISO may reject a system access service request if a market participant does not execute a <i>System Access Service Agreement</i> for Rate DTS or Rate STS by the date required pursuant to subsection 3.6(1)(b) above.	[new]
3.6(9)	At the time of executing a <i>System Access Service Agreement</i> for Rate STS, the market participant must provide the ISO with evidence satisfactory to the ISO that the market participant has sufficient funds available to pay any contribution for a generating facility calculated in accordance with section 7 of the ISO tariff , <i>Generating Unit Owner's Contribution</i> . For purposes of the foregoing, such evidence may include a fully executed, enforceable and irrevocable assignment of funds, satisfactory to the ISO , that unconditionally directs the payment when due of any contribution for a generating facility calculated in accordance with section 7 of the ISO tariff , <i>Generating Unit Owner's Contribution</i> .	[new]
Effective Date of Agreement for System Access Service		

<p>3.7(1)</p>	<p>If the construction of transmission facilities is required for a connection project, a <i>System Access Service Agreement</i> for Rate DTS or Rate STS becomes effective immediately following the later of:</p> <ul style="list-style-type: none"> (a) the issuance by the Commission of the permit(s) and licence(s) required to construct and operate the transmission facilities; (b) the receipt by the market participant of any regulatory approvals included as a condition precedent in Section 2 of the <i>System Access Service Agreement</i>, and (c) the successful resolution of any non-financial matters included as a condition precedent in Section 2 of the <i>System Access Service Agreement</i>. 	<p>[new]</p>
<p>3.7(2)</p>	<p>Until such time as conditions precedent related to any regulatory approvals or non-financial matters included in Section 2 of a <i>System Access Service Agreement</i> have been satisfied, the market participant must provide the ISO with quarterly updates or as otherwise specified by the ISO regarding the status of the regulatory approvals or non-financial matters, including updates to the expected dates for the receipt of any regulatory approvals and the successful resolution of non-financial matters.</p>	<p>[new]</p>
<p>3.7(3)</p>	<p>A market participant must promptly inform the ISO when any regulatory approvals that are the subject of conditions precedent have been received or non-financial matters that are the subject of conditions precedent have been successfully resolved.</p>	<p>[new]</p>
<p>3.7(4)</p>	<p>If the construction of transmission facilities is not required for a connection project, a <i>System Access Service Agreement</i> for Rate DTS or Rate STS becomes effective the day it is executed.</p>	<p>[new]</p>

3.7(5)	<p>If the construction of transmission facilities is required for a connection project, the ISO may cancel a system access service request and terminate the related <i>System Access Service Agreement</i> for Rate DTS or Rate STS if the <i>System Access Service Agreement</i> for Rate DTS or Rate STS does not become effective within 1 year of issuance by the Commission of the permit(s) and licence(s) required to construct and operate the transmission facilities.</p>	[new]
3.7(6)	<p>The ISO must include the critical information of specific connection project in the ISO's forecast, transmission system plans and engineering connection assessments when the related <i>System Access Service Agreement</i> for Rate DTS or Rate STS becomes effective in accordance with subsection 3.7(1) or (4) above.</p>	[new]
Amending a System Access Service Request		
3.8(1)	<p>A market participant must, in a timely manner, amend or withdraw a system access service request if the information provided in, or in connection with, a system access service request ceases to be accurate and, in the case of an amended system access service request, the market participant must clearly identify the change and reasons for the change.</p>	[new]
3.8(2)	<p>The ISO, upon receipt of an amended system access service request that includes changes to critical information, may:</p> <ul style="list-style-type: none"> (a) accept the amendment, subject to such requirements or further amendments as the ISO determines to be necessary that may include: <ul style="list-style-type: none"> (i) revised or new connection studies; and (ii) revised or new connection alternatives; or (b) reject the amended system access service request. 	[new]

<p>3.8(3) The ISO may, at any point in the ISO's connection process, cancel a system access service request if a market participant fails to notify the ISO of a change to the critical information required under subsections 3.2(2), 3.2(3) and 3.2(4) above in a timely manner.</p>	<p>4.7(3) The ISO may, if a market participant fails to meet the critical requirements:</p> <ul style="list-style-type: none"> (a) cancel the system access service request; (b) reassess the inclusion of the project in the ISO's connection queue; or (c) amend the critical requirements. <p>5.7(5) The ISO may cancel the system access service request or reassess the inclusion of the project in the ISO's connection queue if the market participant fails to meet any critical requirements under subsection 7 of section 4 of the ISO tariff, <i>System Access Service Requests</i>.</p>
<p>3.8(4) A market participant may reapply for system access service under subsection 3.2 above, if the ISO rejects or cancels the system access service request.</p>	<p>4.7(4) A market participant may reapply for the system access service under subsection 2 above, if the ISO cancels a system access service request.</p>

Alternative Process	
3.9	The ISO may satisfy the provisions of this section through processes other than those described above and, in particular, alternative processes may be utilized if the ISO anticipates the impact on the transmission system may be significant.
4.8	The ISO may, with the agreement of the market participant , satisfy the provisions of this section 4 through processes other than those described above and, in particular, alternative processes may be utilized when the ISO anticipates the impact on the transmission system may be significant.
Section 6: Financial Obligations for Connection Projects	
Applicability	
6.1	This section applies to a market participant who has requested a new system access service or changes to an existing system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>; (c) Rate PSC, <i>Primary Service Credit</i>; or (d) Rate STS, <i>Supply Transmission Service</i>.
5.1	This section applies to a market participant who has requested a new system access service or changes to an existing system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>; (c) Rate PSC, <i>Primary Service Credit</i>; or (d) Rate STS, <i>Supply Transmission Service</i>.
Amount of Financial Obligation	

<p>6.2(1) A market participant must ensure that its financial obligation, which consists of the financial security and construction contribution, excluding the amount of any advancement costs calculated by the ISO pursuant to subsection 4.2(3)(a) of the ISO tariff, <i>Classification and Allocation of Connection Project Costs</i>, are provided as described in the following subsections, which financial obligations are illustrated:</p> <p>(a) in Figure 6-1 below, for a connection project eligible for local investment; and</p> <p>(b) in Figure 6-2 below, for a connection project not eligible for local investment. A market participant must ensure financial security and construction contribution are provided as described in the following subsections, which financial obligations are illustrated:</p> <p>(a) in Figure 5-1 below, for a connection project eligible for local investment; and</p> <p>(b) in Figure 5-2 below, for a connection project not eligible for local investment.</p>	<p>5.2(1) A market participant must provide financial security and construction contribution as described in the following subsections, which financial obligations are illustrated:</p> <p>(a) in Figure 5-1 below, for a connection project eligible for local investment; and</p> <p>(b) in Figure 5-2 below, for a connection project not eligible for local investment.</p>
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Figure 6-1: Financial Obligation for Connection Project Eligible for Local Investment

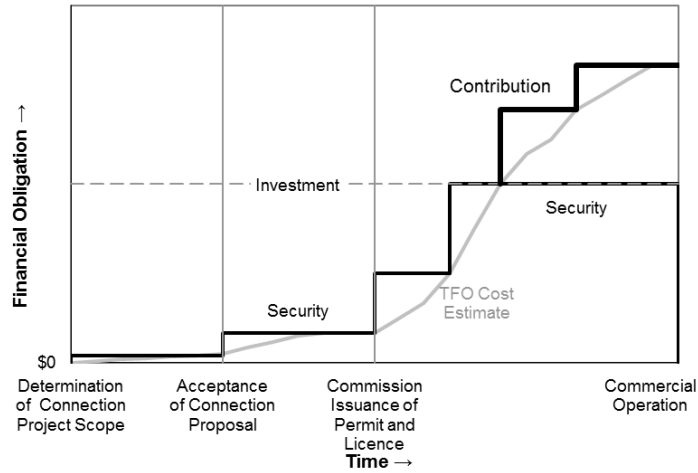


Figure 5-1: Financial Obligation for Connection Project Eligible for Local Investment

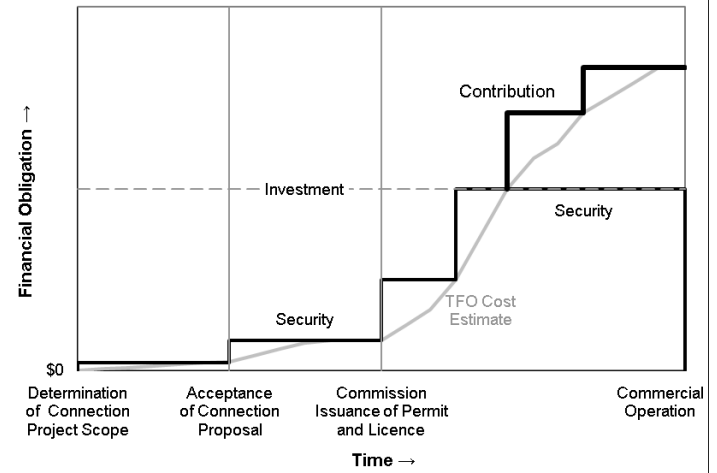


Figure 6-2: Financial Obligation for Connection Project Not Eligible for Local Investment

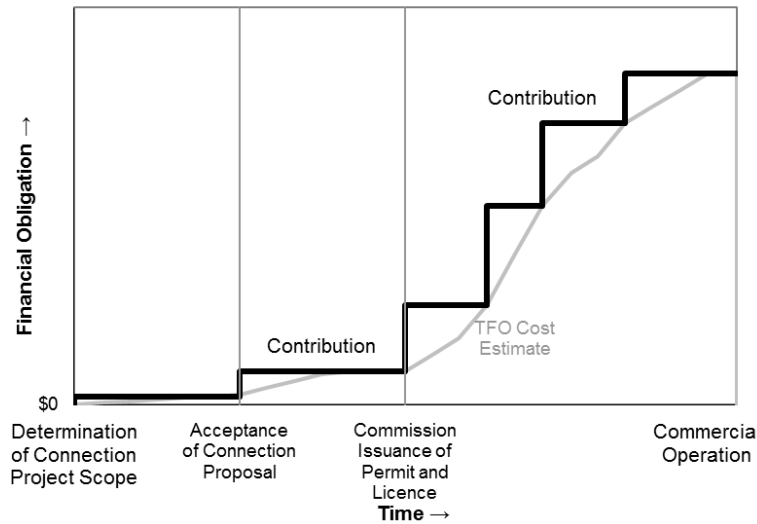
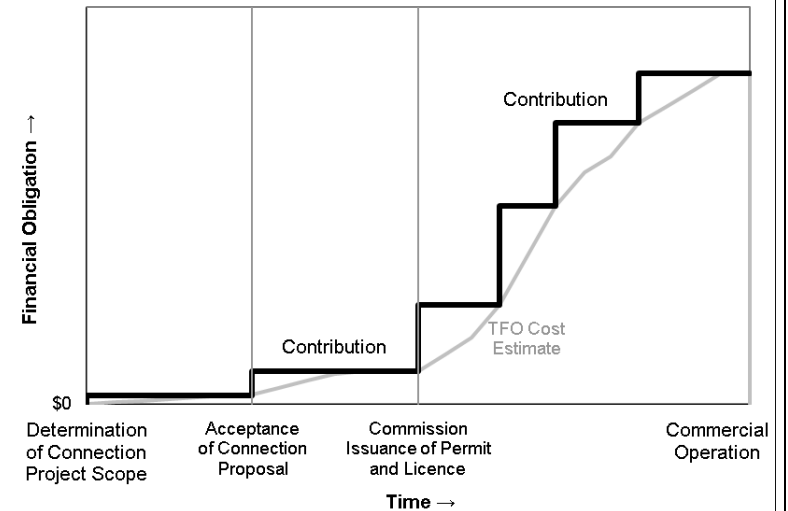


Figure 5-2: Financial Obligation for Connection Project Not Eligible for Local Investment



<p>6.2(2) The market participant must ensure that the financial obligation for a connection project is satisfied at all times after the ISO determines the connection project scope in accordance with subsection 3.3(3) of the ISO tariff, <i>System Access Service Requests</i>.</p>	<p>5.2(2) The market participant must satisfy the financial obligation for a connection project at all times after the ISO determines the connection project scope in accordance with subsection 3(3) of section 4 of the ISO tariff, <i>System Access Service Requests</i>.</p>
<p>6.2(3) The ISO must determine the total amount of the financial obligation for a connection project, which must include but not exceed:</p> <ul style="list-style-type: none"> (a) other than advancement costs calculated by the ISO pursuant to subsection 4.2(3)(a) of the ISO tariff, participant-related costs of the connection project estimated or incurred in accordance with section 4 of the ISO tariff, <i>Classification and Allocation for Connection Projects Costs</i>, including: <ul style="list-style-type: none"> (i) costs estimated in advance or incurred by the legal owner of the transmission facility for preparing the connection proposal and the facility application and for constructing the connection project; and (ii) costs estimated in advance by the ISO for facilities which are in excess of those required by good electric industry practice; <p>and</p> (b) any operations and maintenance charge estimated in advance by the market participant for the connection project, in accordance with subsection 4.8(2) of the ISO tariff, <i>Classification and Allocation for Connection Projects Costs</i>. 	<p>5.2(3) The ISO must determine the total amount of the financial obligation for a connection project which must include but not exceed:</p> <ul style="list-style-type: none"> (a) participant-related costs of the connection project estimated or incurred in accordance with section 8 of the ISO tariff, <i>Construction Contributions for Connection Projects</i>, including: <ul style="list-style-type: none"> (i) costs estimated in advance or incurred by the legal owner of the transmission facility for preparing the connection proposal and the facility application and for constructing the connection project; and (ii) costs estimated in advance by the ISO for facilities which are in excess of those required by good electric industry practice; <p>and</p> (b) any operations and maintenance charge estimated in advance by the market participant for the connection project, in accordance with subsection 9 of section 8 of the ISO tariff, <i>Construction Contributions for Connection Projects</i>.

6.2(4) The **financial obligation** for the connection project shall be the amounts and timing determined as follows by the **legal owner** of the **transmission facility** for the connection project as the project progresses through the stages illustrated in Figure 6-1 or 6-2 above, as applicable, where:

- (a) from the determination of the connection project scope to the **ISO's** acceptance of the connection proposal, the **financial obligation** amount is equal to the total estimated or actual cost that the **legal owner** of the **transmission facility** incurs during preparation of the connection proposal;
- (b) from the **ISO's** acceptance of the connection proposal to the **Commission's** issuance of permit and licence for the connection project, the **financial obligation** amount is the sum of:
 - (i) the amount from subsection 6.2(4)(a); and
 - (ii) the estimated or actual cost that the **legal owner** of the **transmission facility** incurs during preparation and submission of the facility application to the **Commission**;

and
- (c) after the **Commission's** issuance of permit and licence for the connection project, the **financial obligation** amount is the sum, up to the total amount established in subsection 6.2(3) above, of:
 - (i) the amount from subsection 6.2(4)(b) above; and
 - (ii) the estimated or actual cost that the **legal owner** of the **transmission facility** incurs during the stages of construction and completion of the connection project, as illustrated in Figures 6-1 or 56-2 above, as applicable.

5.2(4) The **legal owner** of the **transmission facility** must determine the amounts and timing of the **financial obligation** for the connection project as the project progresses through the stages illustrated in Figure 5-1 or 5-2 above, as applicable, where:

- (a) from the determination of the connection project scope to the **ISO's** acceptance of the connection proposal, the **financial obligation** amount is equal to the total estimated or actual cost that the **legal owner** of the **transmission facility** incurs during preparation of the connection proposal;
- (b) from the **ISO's** acceptance of the connection proposal to the **Commission's** issuance of permit and licence for the connection project, the **financial obligation** amount is the sum of:
 - (i) the amount from subsection 2(4)(a); and
 - (ii) the estimated or actual cost that the **legal owner** of the **transmission facility** incurs during preparation and submission of the facility application to the **Commission**;

and
- (c) after the **Commission's** issuance of permit and licence for the connection project, the **financial obligation** amount is the sum, up to the total amount established in subsection 2(3) above, of:
 - (i) the amount from subsection 2(4)(b); and
 - (ii) the estimated or actual cost that the **legal owner** of the **transmission facility** incurs during the stages of construction and completion of the connection project, as illustrated in Figures 5-1 or 5 2 above, as applicable.

<p>6.2(5) The financial obligation amounts established under subsection 6.2(4) above must include all costs associated with procurement of long lead time equipment, determined by the legal owner of the transmission facility, where the procurement occurs prior to the Commission's issuance of permit and licence for the connection project.</p>	<p>5.2(5) The legal owner of the transmission facility must include all costs associated with procurement of long lead time equipment in the financial obligation amounts established under subsection 2(4) above, where the procurement occurs prior to the Commission's issuance of permit and licence for the connection project.</p>
<p>6.2(6) The financial obligation amounts may be based on certain assumptions made by the legal owner of the transmission facility regarding the market participant's request for system access service and which may be revised from time to time to reflect changes to:</p> <ul style="list-style-type: none"> (a) the request for system access service; (b) factors affecting the connection project, such as the method of construction, the routing of facilities and the approvals and rights of way; (c) variances in the estimated or actual cost of the connection project compared to the original estimate; and (d) other relevant considerations. 	<p>5.2(6) The legal owner of the transmission facility may base the financial obligation amounts on certain assumptions regarding the market participant's request for system access service and may revise those assumptions from time to time to reflect changes to:</p> <ul style="list-style-type: none"> (a) the request for system access service; (b) factors affecting the connection project, such as the method of construction, the routing of facilities and the approvals and rights of way; (c) variances in the estimated or actual cost of the connection project compared to the original estimate; and (d) other relevant considerations.
<p>6.2(7) The financial obligation amounts established by subsections 6.2(4) and (5) above will be based on the amounts set out in "Schedule A" of a <i>Construction Commitment Agreement</i> substantially in the form included in Appendix B of the ISO tariff, <i>System Access Agreement Proformas</i>.</p>	<p>5.2(7) The legal owner of the transmission facility must document the financial obligation amounts established in subsections 2(4) and 2(5) above in schedule "A" of a construction commitment agreement substantially in the form included in Appendix B of the ISO tariff, <i>System Access Service Agreement Proformas</i>.</p>

Payment of Advancement Costs		
6.3	If the construction of transmission facilities is required for a connection project, a market participant must pay in full to the legal owner of the transmission facility for the connection project any advancement costs calculated by ISO pursuant to subsection 4.2(3)(a) of the ISO tariff , <i>Classification and Allocation of Connection Projects Costs</i> , within 30 days after the <i>System Access Service Agreement</i> for Rate DTS becomes effective pursuant to subsection 3.7(1) of the ISO tariff , <i>System Access Service Requests</i> .	[new]
Form and Provision of Financial Security for Projects Eligible for Local Investment		
6.4(1)	A market participant must provide financial security for a connection project except: <ul style="list-style-type: none"> (a) where the market participant is a legal owner of an electric distribution system that is regulated by the Commission; or (b) if the project is proposed by the market participant under section 5(2) of the <i>Transmission Deficiency Regulation</i>, in respect of the transmission facilities that the market participant requesting system access service is proposing to construct. 	<p>5.3(1) A market participant, other than a legal owner of an electric distribution system that is regulated by the Commission, must provide financial security for a connection project in accordance with this subsection 3.</p> <p>5.3(2) A legal owner of an electric distribution system that is regulated by the Commission is not required to provide financial security for a connection project.</p>
6.4(2)	The market participant must provide the financial security to the legal owner of the transmission facility as illustrated in Figure 6-1 above: <ul style="list-style-type: none"> (a) in the amount of and at the time defined for the financial obligation described in subsection 6.2 above; and (b) up to the maximum local investment determined for the connection project under section 4 of the ISO tariff, <i>Classification and Allocation for Connection Projects Costs</i>. 	<p>5.3(3) A market participant, other than a legal owner of an electric distribution system that is regulated by the Commission, must provide financial security to the legal owner of the transmission facility as illustrated in Figure 5-1 above:</p> <ul style="list-style-type: none"> (a) in the amount of and at the time defined for the financial obligation described in subsection 2 above; and (b) up to the maximum local investment determined for the connection project under section 8 of the ISO tariff, <i>Construction Contributions for Connection Projects</i>.

<p>6.4(3) The market participant must provide financial security that is satisfactory to the legal owner of the transmission facility in the form of:</p> <ul style="list-style-type: none"> (a) an unconditional and irrevocable standby letter of credit payable on demand to the legal owner of the transmission facility and issued from a Canadian chartered bank or other comparable financial institution acceptable to the legal owner of the transmission facility; (b) a cash collateral deposit able to be registered as a first security interest held by the legal owner of the transmission facility; or (c) alternative financial security in a form, substance and amount determined at the sole discretion of the legal owner of the transmission facility. 	<p>5.3(4) A market participant, other than a legal owner of an electric distribution system that is regulated by the Commission, must provide financial security satisfactory to the legal owner of the transmission facility in the form of:</p> <ul style="list-style-type: none"> (a) an unconditional and irrevocable standby letter of credit payable on demand to the legal owner of the transmission facility and issued from a Canadian chartered bank or other comparable financial institution acceptable to the legal owner of the transmission facility; (b) a cash collateral deposit able to be registered as a first security interest held by the legal owner of the transmission facility; or (c) alternative financial security in a form, substance and amount determined at the sole discretion of the legal owner of the transmission facility.
<p>6.4(4) If acceptable to the legal owner of the transmission facility, the market participant may</p> <ul style="list-style-type: none"> (a) provide unsecured credit, up to an unsecured credit limit determined by the legal owner of the transmission facility; or (b) pay a construction contribution in lieu of financial security. 	<p><i>[new]</i></p>
<p><i>[removed]</i></p>	<p>5.3(5) The legal owner of the transmission facility may at its sole discretion and based on practices it reasonably establishes and applies:</p> <ul style="list-style-type: none"> (a) accept a request made by a market participant for unsecured credit, up to an unsecured credit limit determined by the legal owner of the transmission facility, or (b) reject that request.

<p>6.4(5) A market participant may provide financial security in amounts greater than those a legal owner of the transmission facility establishes in subsection 2(3) above but this does not reduce the amount of construction contribution required by subsection 6.5 below.</p>	<p>5.3(6) The market participant may provide financial security in amounts greater than those the legal owner of the transmission facility establishes in subsection 2(4) above but this does not reduce the amount of construction contribution required by subsection 4 below.</p>
<p>Form and Provision of Construction Contribution</p>	
<p>6.5(1) The market participant must ensure a construction contribution is paid for:</p> <ul style="list-style-type: none"> (a) any financial obligation amount in excess of the maximum local investment for a connection project that is eligible for local investment determined under section 4 of the ISO tariff Classification and Allocation for Connection Projects Costs; or (b) the total amount of the financial obligation for a connection project that is not eligible for local investment, such as for system access service provided under Rate STS. 	<p>5.4(1) The market participant must pay as a construction contribution:</p> <ul style="list-style-type: none"> (a) any financial obligation amount in excess of the maximum local investment for a connection project that is eligible for local investment determined under section 8 of the ISO tariff Construction Contributions for Connection Projects; or (b) the total amount of the financial obligation for a connection project that is not eligible for local investment, such as for system access service provided under Rate STS.
<p>6.5(2) The market participant must ensure the construction contribution is paid:</p> <ul style="list-style-type: none"> (a) as documented in “Schedule A” of the <i>Construction Commitment Agreement</i> required by subsections 6.2(7) above; and (b) by way of electronic funds transfer or wire transfer to the bank account the legal owner of the transmission facility specifies. 	<p>5.4(2) The market participant must pay the construction contribution:</p> <ul style="list-style-type: none"> (a) as documented in schedule “A” of the construction commitment agreement required by subsections 2(7) above; and (b) by way of electronic funds transfer or wire transfer to the bank account the legal owner of the transmission facility specifies.
<p>6.5(3) The market participant may ensure the construction contribution is paid in amounts greater than those documented in “Schedule A” of the <i>Construction Commitment Agreement</i> required by subsections 6.2(7) above.</p>	<p>5.4(3) The market participant may pay the construction contribution in amounts greater than those documented in schedule “A” of the construction commitment agreement required by subsections 2(7) above.</p>

Cancellation			
<p>6.6(1) The market participant must, upon cancellation of a connection project at any time prior to commercial operation, ensure payment of:</p> <ul style="list-style-type: none"> (a) all costs the legal owner of the transmission facility incurs or is required to incur in the preparation of the connection proposal, preparation of the facility application and construction of the project, as documented in the <i>Construction Commitment Agreement</i> required by subsection 6.2(7) above; and (b) any other costs the legal owner of the transmission facility incurs or is required to incur with respect to the project, including all cancellation costs, penalties and costs for material salvage and reclamation of the construction site. 	<p>5.5(1) The market participant must, upon cancellation of a connection project at any time prior to commercial operation, pay:</p> <ul style="list-style-type: none"> (a) all costs the legal owner of the transmission facility incurs or is required to incur in the preparation of the connection proposal, preparation of the facility application and construction of the project, as documented in the construction commitment agreement required by subsection 2(7) above; and (b) any other costs the legal owner of the transmission facility incurs or is required to incur with respect to the project, including all cancellation costs, penalties and costs for material salvage and reclamation of the construction site. 		
<p>6.6(2) The person who provided the financial security, construction contribution or other amounts accepts that the legal owner of the transmission facility must, upon failure of payment of the costs described in subsection 6.6(1) above before or on the payment due date as specified by the legal owner of the transmission facility:</p> <ul style="list-style-type: none"> (a) make reasonable efforts to enforce and realize on any financial security provided by the market participant without further notice; (b) retain any realized financial security, construction contribution or other amounts paid for the connection project to offset costs the legal owner of the transmission facility incurs or is required to incur due to the cancellation of the connection project; and (c) take any other reasonable actions determined by the legal owner of the transmission facility or prescribed by the ISO with respect to the recovery of costs arising from the cancellation of the connection project. 	<p>5.5(2) The legal owner of the transmission facility must, upon failure by a market participant to pay the costs described in subsection 5(1) above before or on the payment due date as specified by the legal owner of the transmission facility:</p> <ul style="list-style-type: none"> (a) make reasonable efforts to enforce and realize on any financial security provided by the market participant without further notice; (b) retain any realized financial security, construction contribution or other amounts paid by the market participant to offset costs the legal owner of the transmission facility incurs or is required to incur due to the cancellation of the connection project; and (c) take any other reasonable actions determined by the legal owner of the transmission facility or prescribed by the ISO with respect to the recovery of costs arising from the cancellation of the connection project. 		

<p>6.6(3) The ISO must support recovery, through the tariff of the legal owner of the transmission facility, of any costs that are unrecoverable under subsection 6.6(2) above.</p>	<p>5.5(3) The ISO must support recovery, through the tariff of the legal owner of the transmission facility, of any costs that are unrecoverable under subsection 5(2) above by:</p> <ul style="list-style-type: none"> (a) confirming, in writing, to the Commission that such costs were incurred as a consequence of the legal owner's compliance with the ISO tariff, to the best knowledge of the ISO; or (b) identifying, in writing, to the Commission any concern the ISO has that such costs were not incurred as a consequence of the legal owner's compliance with the ISO tariff, <p>But in so doing, the ISO must not make any statement with respect to the prudence of the legal owner of the transmission facility in incurring those costs.</p>
<p>6.6(4) The person who provided the financial security, construction contribution or other amounts is entitled to the return of any financial security, construction contribution or other amounts by the legal owner of the transmission facility that is in excess of the costs described in subsection 6.6(1) above.</p>	<p>5.5(4) The legal owner of the transmission facility must return to the market participant any financial security, construction contribution or other amounts paid by the market participant in excess of the costs described in subsection 5(1) above.</p>
<p>6.6(5) A connection project may be deemed to be cancelled pursuant to subsection 6.6(1) above if a market participant or other person takes action that, in the opinion of the legal owner of the transmission facility, indicates the termination or abandonment of an intention to proceed to commercial operation of the connection project.</p>	<p>5.5(5) The legal owner of the transmission facility may deem a connection project to be cancelled pursuant to subsection 5(1) above if a market participant takes action that, in the opinion of the legal owner of the transmission facility, indicates the market participant has terminated or abandoned its intention to proceed to commercial operation of the connection project.</p>

<p>6.6(6) The person who provided the financial security, construction contribution or other amounts accepts that the legal owner of the transmission facility may deduct, set off and net out any debts, liquidated demands, unliquidated demands, damages or other amounts the legal owner of the transmission facility owes to the market participant or other person, under any <i>Construction Commitment Agreement</i> between the legal owner of the transmission facility and the market participant or other person, in partial or full satisfaction of any costs owing by the market participant or other person under subsection 6.6(1) above.</p>	<p>5.5(6) The legal owner of the transmission facility may deduct, set off and net out any debts, liquidated demands, unliquidated demands, damages or other amounts the legal owner of the transmission facility owes to the market participant, under any construction commitment agreement between the legal owner of the transmission facility and the market participant, in partial or full satisfaction of any costs owing by the market participant under subsection 5(1) above.</p>
<p>6.6(7) The ISO may deduct, set off and net out any debts, liquidated demands, unliquidated demands, damages or other amounts the ISO owes to the market participant or other person, under any <i>System Access Service Agreement</i> between the ISO and the market participant or other person, in partial or full satisfaction of any costs owing by the market participant or other person under subsection 6.5(1) above.</p>	<p>5.5(7) The ISO may deduct, set off and net out any debts, liquidated demands, unliquidated demands, damages or other amounts the ISO owes to the market participant, under any system access service agreement between the ISO and the market participant, in partial or full satisfaction of any costs owing by the market participant under subsection 5(1) above.</p>
<p>Return of Financial Security</p>	
<p>6.7(1) The person who paid the construction contribution is entitled to the return of any financial security held for the connection project by the legal owner of the transmission facility, within 90 days after commercial operation of the connection project.</p>	<p>5.6(1) The legal owner of the transmission facility must return any financial security held for the connection project to the market participant, within ninety (90) days after commercial operation of the connection project.</p>
<p>6.7(2) The person who paid the construction contribution is entitled to the return of any construction contribution paid in excess of the actual cost of the connection project by the legal owner of the transmission facility, within (90 days after the legal owner of the transmission facility provides the final cost report for the connection project to the ISO.</p>	<p>5.6(2) The legal owner of the transmission facility must return to the market participant any construction contribution paid by the market participant in excess of the actual cost of the connection project, within ninety (90) days after the legal owner of the transmission facility provides the final cost report for the connection project to the ISO.</p>

Effect of Non-Compliance	Compliance
<p>6.8(1) A market participant must ensure a request for financial security or construction contribution or for additional or replacement financial security or construction contribution is satisfied within 30 days of such request.</p>	<p>5.7(1) A market participant must satisfy a request for financial security or construction contribution or for additional or replacement financial security or construction contribution, within thirty (30) days of such request.</p>
<p>6.8(2) A person who provides financial security or construction contribution for a connection project must report any event of default by it to a lender for borrowed funds or any material adverse changes in its financial position within 2 business days of such event.</p>	<p>5.7(2) A market participant must report any event of default by it to a lender for borrowed funds or any material adverse changes in its financial position within two (2) business days of such event.</p>
<p>6.8(3) A market participant must accept suspension by the legal owner of the transmission facilities of all work related to the connection project if:</p> <ul style="list-style-type: none"> (a) a market participant fails to ensure financial security or construction contribution is provided; or (b) the ISO or the legal owner of the transmission facility becomes aware of an unreported event or change under subsection 6.8(2) above. 	<p>5.7(3) The legal owner of the transmission facilities must suspend all work related to the connection project if:</p> <ul style="list-style-type: none"> (a) a market participant fails to provide financial security or construction contribution; or (b) the ISO or the legal owner of the transmission facility becomes aware of an unreported event or change under subsection 7(2) above.
<p>6.8(4) A market participant must accept the continued suspension by the legal owner of the transmission facilities of work on the connection project until the required financial security or construction contribution is provided or the financial position of the person who provided financial security or construction contribution no longer constitutes a material adverse change.</p>	<p>5.7(4) The legal owner of the transmission facilities must continue the suspension of work on the connection project until the market participant provides the required financial security or construction contribution or the market participant's financial position is reassessed, as appropriate.</p>
<p>6.8(5) The market participant must continue to ensure all financial obligations are met for amounts that have accrued or are accruing, to the ISO or to the legal owner of the transmission facility with respect to the connection project, notwithstanding any suspension of work on the connection project under subsection 6.8(3) above.</p>	<p>5.7(6) The market participant must continue to meet all financial obligations for amounts that have accrued or are accruing, to the ISO or to the legal owner of the transmission facility with respect to the connection project, notwithstanding any suspension of work on the connection project under subsection 7(3) above.</p>

Section 4: Classification and Allocation for Connection Projects Costs	Section 4: Construction Contributions for Connection Projects
Applicability	
4.1 This section applies to a market participant who has requested or is receiving system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate PSC, <i>Primary Service Credit</i>; or (c) Rate STS, <i>Supply Transmission Service</i>. 	8.1 This section applies to a market participant who has requested or is receiving system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate PSC, <i>Primary Service Credit</i>; or (c) Rate STS, <i>Supply Transmission Service</i>.
<p><i>[removed]</i></p>	Connection Costs 8.2 The ISO must determine the costs of a connection project for a market participant to be those costs reasonably associated with facilities that: <ul style="list-style-type: none"> (a) a legal owner of a transmission facility owns and operates; (b) are required in order to: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) demand and supply forecast; and (ii) reliability and operating requirements.
Classification of Participant-Related and System-Related Costs	
4.2(1) All costs of a connection project as determined by the ISO under subsection 3.4 of the ISO tariff , <i>System Access Service Requests</i> , must be classified as either participant-related or system-related.	8.3(1) All costs of a connection project will be classified as either participant-related or system-related.

4.2(2) Participant-related costs are the costs deemed necessary by the **ISO** to accommodate a connection project, 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 configuration;
- (b) a **radial circuit**, including double-radial configurations, with only 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 20 years and where the share is determined in accordance with subsection 5.5 of the **ISO tariff, Changes to System Access Service**;
- (e) line moves or burials of existing transmission line;
- (f) communication enhancements, additions, or both required solely to provide communications service for the connection project;
- (g) breakers, changes to protection systems, equipment or settings required for the connection project to an existing substation;

8.3(2) Participant-related costs will be those costs related to a contiguous connection project including costs associated with:

- (a) the connection substation for the **point of delivery** or **point of supply**, including in out line configurations, where required;
- (b) new radial transmission lines, including double-radial configurations, with only one (1) transmission source from the **transmission system** to the connection substation;
- (c) 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 of the **ISO tariff**;
- (d) line moves or burials of existing transmission line;
- (e) communication at the **point of delivery** or **point of supply**;
- (f) communication enhancements required at the nearest substation with communications equipment to allow direct communication between it and the connection substation;
- (g) breakers and associated equipment required for the connection of the new radial transmission line to an existing substation;

<ul style="list-style-type: none"> (h) salvage labour required to remove existing transmission facilities to allow the installation of new or replacement facilities for a connection project; (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) remedial action schemes; (k) a phasor measurement unit; (l) the 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 that have been reclassified as participant-related to meet the requirements of the connection project; (m) facilities required to connect an isolated community regulated under the <i>Isolated Generating Units and Customer Choice Regulation</i>, to the interconnected electric system; and (n) other facilities that are required to complete the market participant's connection, including 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. 	<ul style="list-style-type: none"> (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 on an electric distribution system served through the connection substation; (j) a remedial action scheme, if required; (k) a phasor measurement unit, if required; (l) the advancement of 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 reclassified as participant-related to meet the requirements of the connection project; and (n) other facilities required to complete the market participant's connection, including transmission facilities required to enable the market participant to meet all relevant technical requirements for the connection project.
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4.2(3)

If the **ISO** identifies system **transmission facilities**, being **transmission facilities** that 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-related:

- (a) advancement costs, which are the costs associated with the advancement of system **transmission facilities** required to accommodate the connection project requesting demand transmission service, which the **ISO** calculates, using the discount rate provided in subsection 4.9 below, as:
 - (i) if the system **transmission facilities** are not included in an approved **needs identification document**, 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;
 - (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;

[new]

<p>and</p> <p>(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.</p>	
<p>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 facilities in excess of the ISO's preferred connection alternative in accordance with subsection 3.4 of the ISO tariff, <i>System Access Service Requests</i>, to serve the market participant where, as determined by the ISO, economics or transmission system planning support the development of such transmission facilities.</p>	<p>8.3(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:</p> <ul style="list-style-type: none"> (a) looped transmission facilities, which are facilities that increase the number of electrical paths between any two (2) substations, excluding the substation serving the market participant and which exclude any new radial transmission line; (b) radial transmission facilities which, within five (5) years of commercial operation, are planned to become looped as part of a critical transmission development or regional transmission system project: <ul style="list-style-type: none"> (i) in the ISO's most recent long-term transmission system plan; (ii) in a needs identification document filed with the Commission; or (iii) as the ISO reasonably expects will be required in the future; <p>and</p> <ul style="list-style-type: none"> (c) transmission facilities in excess of the minimum size required to serve the market participant where, in the opinion of the ISO, economics or system planning support the development of such 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 that the ISO determines to be in excess of those required by good electric industry practice .	8.4 A market participant must pay, as part of the construction contribution , any participant-related costs of facilities which the ISO deems, in its opinion, to be in excess of those required by good electric industry practice .
Valuation of Facilities for Contribution Determination	
4.4(1) The ISO may determine connection project costs based on the replacement cost new of equipment, which is the current cost of similar new equipment having the nearest equivalent capability to the equipment being valued.	8.5(1) The ISO must generally determine connection project costs based on the replacement costs 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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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) identifies the cost of the transformer, including the cost to remove the transformer as part of its approved capital maintenance; or (b) not reducing the participant-related costs in any other circumstances including when the legal owner of the transmission facility scraps the transformer. 	8.5(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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 the cost of the transformer which is removed as a 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	Allocation of Costs to Market Participants
<p>4.5(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:</p> <ul style="list-style-type: none"> (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 4.4(2) above reflecting replacement of a transformer removed from service. 	<p>8.6(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:</p> <ul style="list-style-type: none"> (a) the exclusion of costs, if any, under subsection 4 above reflecting facilities in excess of those required by good electric industry practice; and (b) the reduction of costs, if any, under subsection 5 above reflecting replacement of a transformer removed from service.
<p>4.5(2) The ISO must allocate the participant-related costs determined in subsection 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.</p>	<p>8.6(2) The ISO must allocate the participant-related costs determined in subsection 6(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.</p>
<p>4.5(3) The ISO must allocate the participant-related costs referred to in subsections 4.5(1) and (2) above to each market participant by multiplying those costs by the average substation fraction for the market participant determined in accordance with subsections 5.5(3) and (4) of the ISO tariff, Changes to System Access Service.</p>	<p>8.6(3) The ISO must allocate the participant-related costs referred to in subsections 6(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 3(3) of section 9 of the ISO tariff, Changes to System Access Service After Energization.</p>
<p>4.5(4) The ISO must deem costs allocated to a market participant taking service under Rate DTS to be demand-related costs.</p>	<p>8.6(4) The ISO must deem costs allocated to a market participant taking service under Rate DTS to be demand-related costs.</p>
<p>4.5(5) The ISO must deem costs allocated to a market participant taking service under Rate STS to be supply-related costs.</p>	<p>8.6(5) The ISO must deem costs allocated to a market participant taking service under Rate STS to be supply-related costs.</p>

Determination of Construction Contribution			
4.6(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 market participant executes a <i>System Access Service Agreement</i> .	8.7(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.		
4.6(2) Subject to subsection 4.6(6) below, a market participant must ensure that construction contribution amounts are paid to the legal owner of the transmission facility in accordance with the financial obligation provisions of section 6 of the ISO tariff , <i>Financial Obligations for Connection Projects</i> .	8.7(2) A market participant must pay construction contribution amounts to the legal owner of the transmission facility in accordance with the financial obligation provisions of section 5 of the ISO tariff , <i>Financial Obligations for Connection Projects</i> .		
4.6(3) The ISO must calculate the construction contribution : <ul style="list-style-type: none"> (a) for a market participant receiving service under Rate DTS, as the demand-related costs less the local investment determined under subsection 4.7 below. (b) for a market participant receiving service under Rate STS, as the supply-related costs. 	8.7(3) The ISO must calculate the construction contribution : <ul style="list-style-type: none"> (a) for a market participant receiving service under Rate DTS, as the demand-related costs less the local investment determined under subsection 8 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 the ISO any contribution for a generating unit or an aggregated generating facility required under section 7 of the ISO tariff , <i>Generating Unit Owner's Contribution</i> .	8.7(4) A market participant receiving service under Rate STS must also pay the ISO any legal owner's contribution for a generating unit or an aggregated generating facility required under section 10 of the ISO tariff , <i>Generating Unit Owner's Contribution</i> .		
4.6(5) A market participant must inform the ISO , in writing, and in a timely manner, of any disagreement with the ISO's determination of the construction contribution .	<i>[new]</i>		
4.6(6) 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 the construction and temporary operation of a transmission facility in accordance with section 5 of the <i>Transmission Deficiency Regulation</i> .	<i>[new]</i>		

Determination of Local Investment			
<p>4.7(1) The ISO must calculate the maximal local investment:</p> <ul style="list-style-type: none"> (a) based on the contract capacity and investment term set out in the <i>System Access Service Agreement</i> 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 5 to 20 years inclusive, commencing on the date of commercial operation. 	<p>8.8(1) The ISO must calculate the maximal local investment:</p> <ul style="list-style-type: none"> (a) based on the contract capacity and investment term set out in the 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. 		
<p>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:</p> <ul style="list-style-type: none"> (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. 	<p>8.8(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:</p> <ul style="list-style-type: none"> (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 Rate DTS	Investment for Service Under Rate DTS with Rate PSC
(c) Substation fraction (for new points of delivery only)	\$82 100/year	\$14 420/year
(d) First (7.5 × substation fraction) MW of contract capacity	\$33 330/MW/year	\$5 850/MW/year
(e) Next (9.5 × substation fraction) MW of contract capacity	\$20 900/MW/year	\$3 670/MW/year
(f) Next (23 × substation fraction) MW of contract capacity	\$14 600/MW/year	\$2 560/MW/year
(g) All remaining MW of contract capacity	\$9 490/MW/year	\$0/MW/year

Column A	Column B	Column C
Tier	Investment for Service Under Rate DTS	Investment for Service Under Rate DTS with Rate PSC
(c) Substation fraction (for new)	\$78 500/year	\$16 480/year
(d) First (7.5 × substation)	\$31 800/MW/year	\$6 680/MW/year
(e) Next (9.5 × substation)	\$19 900/MW/year	\$4 180/MW/year
(f) Next (23 × substation)	\$13 900/MW/year	\$2 920/MW/year
(g) All remaining MW of contract capacity	\$9 000/MW/year	\$0/MW/year

<p>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:</p> <ul style="list-style-type: none"> (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. 	<p>8.8(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:</p> <ul style="list-style-type: none"> (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.
<p>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:</p> <ul style="list-style-type: none"> (a) calculated in accordance with subsections 4.7(2) and (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 4.9 below. 	<p>8.8(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:</p> <ul style="list-style-type: none"> (a) calculated in accordance with subsections 8(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 below.

<p>4.7(5) The ISO must determine the maximum local investment as the lesser of:</p> <ul style="list-style-type: none"> (a) the amount calculated in subsection 4.7(2), (3) or (4) above; or (b) the demand-related costs. 	<p>8.8(5) The ISO must determine the maximum local investment as the lesser of:</p> <ul style="list-style-type: none"> (a) the amount calculated in subsection 8(2), 8(3) or 8(4) above; or (b) the demand-related costs.
<p>Operations and Maintenance</p>	
<p>4.8(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.</p>	<p>8.9(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 above.</p>
<p>4.8(2) The market participant must estimate and the ISO must agree to the operations and maintenance charge calculated:</p> <ul style="list-style-type: none"> (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 20 years, whichever is less. 	<p>8.9(2) The market participant must estimate and the ISO must agree to the operations and maintenance charge calculated:</p> <ul style="list-style-type: none"> (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, (b) over the useful life of those facilities or twenty (20) years, whichever is less.
<p>4.8(3) The market participant must use the discount rate provided in subsection 4.9 below in the present value calculation.</p>	<p>8.9(3) The market participant must use the discount rate provided in subsection 11 below in the present value calculation.</p>

	Limitations
<p>[moved to subsection 1.4]</p>	<p>8.10 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.</p>
Discount Rate	Discount Rate
<p>4.9(1) The ISO must determine the discount rate applicable to the calculation of construction contributions under this of the ISO tariff and payments in lieu of notice under section 5 of the ISO tariff, <i>Changes to System Access Service</i> as:</p> $\text{discount rate} = [(1 - E) \times (\text{YLD} + 1\%)] + \left(\frac{E \times \text{ROE}}{1 - T} \right)$ <p>where:</p> <ul style="list-style-type: none"> (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. 	<p>8.11(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:</p> $\text{discount rate} = [(1 - E) \times (\text{YLD} + 1\%)] + \left(\frac{E \times \text{ROE}}{1 - T} \right)$ <p>where:</p> <ul style="list-style-type: none"> (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.

<p>4.9(2) The ISO must use zero as the tax rate T in subsection 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.</p>	<p>8.11(2) The ISO must use zero (0) as the tax rate T in subsection 11(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.</p>
<p>Miscellaneous</p>	<p>Miscellaneous</p>
<p>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.</p>	<p>8.12(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.</p>
<p>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.</p>	<p>8.12(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.</p>
<p>Section 5: Changes to System Access Service</p>	
<p>Applicability</p>	
<p>5.1 This section applies to a market participant who has requested or is receiving system access service under:</p> <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate PSC, <i>Primary Service Credit</i>; or (c) Rate STS, <i>Supply Transmission Service</i>. 	<p>9.1 This section applies to a market participant who is receiving system access service under:</p> <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; (b) Rate PSC, <i>Primary Service Credit</i>; or (c) Rate STS, <i>Supply Transmission Service</i>.
<p>Events Resulting in Adjustments to Construction Contributions and Contract Capacity</p>	
<p>5.2(1) A market participant, the ISO or the legal owner of a transmission facility may initiate a review of the construction contribution that the ISO had previously determined for a connection project.</p>	<p>9.2(1) A market participant, the ISO or the legal owner of the transmission facilities may initiate a review of the construction contribution that the ISO had previously determined for a connection project when warranted by certain events.</p>

<p>5.2(2) If the ISO determines that the contract capacity amount in a <i>System Access Service Agreement</i> for Rate DTS or Rate STS previously determined by the ISO in respect of subsections 3.6(2) and (3) of the ISO tariff, <i>System Access Service Request</i>, does not reflect the actual flows, the ISO may adjust the contract capacity to reflect such actual flows and the market participant must pay any recalculated amounts for any construction contribution in accordance with this section 5 of the ISO tariff, <i>Changes to System Access Service</i>, and any contribution for a generating unit or aggregated generating facility calculated in accordance with section 7 of the ISO tariff, <i>Generating Unit Owner's Contribution</i>, as applicable.</p>	<p>[new]</p>
<p>5.2(3) The ISO must review a construction contribution determination and may determine a construction contribution adjustment is required when:</p> <ul style="list-style-type: none"> (a) a market participant materially increases or decreases contract capacity or investment term or terminates system access service, prior to the expiry of the investment term for a connection project; (b) one or more additional market participants use facilities originally installed for an existing market participant, resulting in sharing of facilities as provided for in subsection 5.5 below; (c) connection project costs previously classified as system-related are reclassified as participant-related to meet changes in market participant requirements; (d) connection project costs previously classified as participant-related are reclassified as system-related; (e) a material error in the original construction contribution is identified; or (f) the estimated or actual cost of the connection project materially varies from the original estimate. 	<p>9.2(2) The ISO must review the construction contribution determination and may determine a construction contribution adjustment is required when:</p> <ul style="list-style-type: none"> (a) a market participant materially increases or decreases contract capacity or investment term or terminates system access service, prior to the expiry of the investment term for a connection project; (b) one or more additional market participants use facilities originally installed for any existing market participant, resulting in sharing of facilities as provided for in subsection 3 below; (c) facilities previously classified as system-related are reclassified as participant-related to meet changes in market participant requirements; (d) facilities previously classified as participant-related are reclassified as system-related; (e) a material error in the original construction contribution is identified; or (f) the estimated or actual cost of the connection project materially varies from the original estimate.

<p>5.2(4) The ISO must determine a construction contribution under the provisions of section 5 of the ISO tariff, <i>Classification and Allocation of Connection Projects Costs</i>, rather than this section 5, if an increase in contract capacity requires the construction of transmission facilities at an existing point of delivery or point of supply.</p>	<p>9.2(3) The ISO must determine the construction contribution under the provisions of section 8 of the ISO tariff, <i>Construction Contributions for Connection Projects</i>, rather than this section 9, when an increase in contract capacity requires the addition of new equipment at an existing point of delivery or point of supply.</p>
<p>5.2(5) The ISO must not make an adjustment to a construction contribution more than 20 years after commercial operation of a connection project.</p>	<p>9.2(4) The ISO must not make any adjustment to a construction contribution more than twenty (20) years after commercial operation of a connection project.</p>

Reductions or Terminations of Contract Capacity			
5.3(1) The ISO must make a reduction or termination of contract capacity effective 5 years after the date of notice of the request for reduction or termination, subject to subsection 5.3(2) below.	9.3(1) The ISO must make a reduction or termination of contract capacity effective five (5) years after the date of the request for reduction or termination, subject to subsection 3(2) below.		
5.3(2) A market participant may make a lump sum payment determined by the ISO in lieu of all or a portion of the 5 year notice period in subsection 5.3(1) above.	9.3(2) A market participant reducing or terminating contract capacity may choose to make a lump sum payment determined by the ISO in lieu of all or a portion of the 5-year notice period in subsection 3(1) above.		
<p>5.3(3) The ISO must calculate the payment in lieu of notice (also known as a “PILON”) as a share of the costs of system transmission facilities, being transmission facilities that the ISO determines exist for the benefit of market participants, incurred to reasonably accommodate a market participant’s contract capacity over the five (5) year planning horizon of the transmission system, and must calculate the payment:</p> <ul style="list-style-type: none"> (a) for a market participant reducing, terminating or changing the start date or end date for contract capacity under Rate DTS, after executing a <i>System Access Service Agreement</i>, as the present value of the difference in bulk system and regional system charges that would be attributed to the service: <ul style="list-style-type: none"> (i) with the reduction or termination of or change of date for contract capacity during the notice period; and (ii) with the contract capacity or start date or end date for contract capacity indicated in the <i>System Access Service Agreement</i> last executed by the market participant; <p>and</p>	<p>9.3(3) The ISO must determine the payment in lieu of notice to represent a share of system costs potentially incurred to reasonably accommodate the contract capacity of a market participant over the 5-year planning horizon of the transmission system and must calculate the payment:</p> <ul style="list-style-type: none"> (a) for any market participant reducing or terminating contract capacity under Rate DTS, as the present value of the difference in bulk system and regional system charges which would be attributed to the service with and without the reduction or termination of contract capacity during the notice period; or (b) for any market participant terminating contract capacity under Rate STS for a regulated generating unit listed in Appendix A of the ISO tariff, <i>Regulated Generating Units</i>, as the difference in regulated generating unit connection cost charges which would be attributable to the service with and without the termination of the service during the notice period. 		

<p>(b) for a market participant terminating contract capacity under Rate STS for a regulated generating unit listed in Appendix A of the ISO tariff, <i>Regulated Generating Units</i>, as the difference in regulated generating unit connection cost charges that would be attributable to the service:</p> <p>(i) with the termination of the service during the notice period; and</p> <p>(ii) with the service continuing to the end of the generating unit's base life as listed in Appendix A.</p>	
<p>5.3(4) The ISO must use the discount rate provided in subsection 4.9, of section 5 of the ISO tariff, <i>Classification and Allocation for Connection Projects</i> in the present value calculation in subsection 5.3(3)(a) and (b) above.</p>	<p>9.3(4) The ISO must use the discount rate provided in subsection 11 of section 8 of the ISO tariff, <i>Construction Contributions for Connection Projects</i>, in the present value calculation in subsection 3(3)(a) above.</p>
<p>5.3(5) A market participant may make a payment in lieu of notice at any time prior to or during the 5 year notice period, for the remainder of the notice period and the ISO must receive such payment at least 30 days before the reduction or termination of contract capacity is effective.</p>	<p>9.3(5) A market participant may make a payment in lieu of notice at any time prior to or during the 5-year notice period, for the remainder of the notice period and the ISO must receive such payment at least thirty (30) days before the reduction or termination of contract capacity is effective.</p>
<p>5.3(6) The ISO may waive or reduce the requirement for payment in lieu of notice if, as determined by the ISO:</p> <p>(a) contract capacity is transferred to a system access service of the same market participant at a nearby transmission substation;</p> <p>(b) transmission system benefits arise from the reduction or termination of contract capacity, which may include relief of regional transmission constraints, removal of capacity limitations which would restrict system access service to other market participants or avoidance of future upgrades to the transmission system; or</p>	<p>9.3(6) The ISO may waive or reduce the requirement for payment in lieu of notice if the ISO considers that circumstances warrant where:</p> <p>(a) contract capacity is transferred to a system access service of the same market participant at a nearby transmission substation;</p> <p>(b) transmission system benefits arise from the reduction or termination of contract capacity, which benefits may include relief of regional transmission constraints, removal of capacity limitations which would restrict system access service to other market participants or avoidance of future upgrades to the transmission system; or</p>

<p>(c) a market participant who has taken service for at least twenty (20) years:</p> <ul style="list-style-type: none"> (i) demonstrates to the ISO that a reduction of contract capacity results from the market participant's energy or demand reduction initiative; and (ii) during the 10 years prior to the reduction in contract capacity becoming effective, has not increased contract capacity at the point of delivery at which the reduction in contract capacity occurs. 	<p>(c) the reduction of contract capacity results from an energy or demand reduction initiative of the market participant who has taken service for at least twenty (20) years who:</p> <ul style="list-style-type: none"> (i) provides to the ISO a clear, thorough and convincing case, with supporting facts, that demonstrates the energy or demand reduction resulting from the initiative and (ii) during the ten (10) years prior to the reduction in contract capacity becoming effective, has not increased contract capacity at the point of delivery at which the reduction in contract capacity occurs.
<p>5.3(7) The ISO may, at any time during the remainder of a notice period for which a payment in lieu of notice was made:</p> <ul style="list-style-type: none"> (a) re-assess the payment in lieu of notice if material differences arise between the requested and actual contract capacities or between expected and actual load; and (b) require additional payment from the market participant. 	<p>9.3(7) The ISO may, at any time during the remainder of a notice period for which a payment in lieu of notice was made:</p> <ul style="list-style-type: none"> (a) re-assess the payment in lieu of notice if material differences arise between the requested and actual contract capacities or between expected and actual load; and (b) require additional payment from the market participant if appropriate.
<p>Metered Demand Above Pre-Notice Contract Capacity</p>	
<p>5.4(1) The ISO must determine the contract capacity immediately following the 5 year notice period required by subsection 5.3(1) above to be the maximum of:</p> <ul style="list-style-type: none"> (a) the pre-notice contract capacity less the reduction of contract capacity the market participant requested; or (b) the highest metered demand during the 5 year notice period less the reduction of contract capacity the market participant requested. 	<p>9.4(1) The ISO must determine the contract capacity immediately following the 5-year notice period required by subsection 3(1) above to be the maximum of:</p> <ul style="list-style-type: none"> (a) the pre-notice contract capacity less the reduction of contract capacity the market participant requested; or (b) the highest metered demand during the 5-year notice period less the reduction of contract capacity the market participant requested.

<p>5.4(2) A market participant may provide an additional notice of reduction to request a subsequent reduction of contract capacity to the original notice level, if the highest metered demand affects the maximum determined under subsection 5.4(1) above.</p>	<p>9.4(2) A market participant may provide an additional notice of reduction to request a subsequent reduction of contract capacity to the original notice level, when the highest metered demand affects the maximum determined under subsection 4(1) above.</p>
<p>Shared Facilities</p>	
<p>5.5(1) The ISO must allocate the participant-related costs of shared transmission facilities to market participants if transmission facilities are constructed to serve a market participant and then used to serve other but not all market participants within 20 years after commercial operation of the original connection project.</p>	<p>9.5(1) The ISO must allocate the participant-related costs of shared transmission facilities to market participants when transmission facilities are constructed to serve a market participant and then used to serve other market participants within twenty (20) years after commercial operation of the original connection project.</p>
<p>5.5(2) The ISO must allocate the participant-related costs of shared transmission facilities:</p> <ul style="list-style-type: none"> (a) when a transmission line is shared by 2 or more substations, by allocating the costs of the shared line to those substations in accordance with subsection 5.5(4) below; and (b) where a single substation is shared by 2 or more market participants, by allocating the shared costs associated with the substation to those market participants in accordance with subsection 5.5(4) below. 	<p>9.5(2) The ISO must allocate the participant-related costs of shared transmission facilities by:</p> <ul style="list-style-type: none"> (a) first, where transmission line is shared by two or more substations, allocating the costs of the shared line to those substations in accordance with subsection 5(3) below; and (b) second, where a single substation is shared by two or more market participants, allocating the shared costs associated with the substation to those market participants in accordance with subsection 5(4) below.
<p>5.5(3) The ISO must allocate the participant-related costs of a transmission line shared by 2 or more substations by:</p> <ul style="list-style-type: none"> (a) determining the higher of the sum of all Rate DTS contract capacities or the sum of all Rate STS contract capacities for each substation in each of the 20 years following commercial operation of the original transmission line, and assigning a contract capacity of zero in a year in which a substation did not exist; 	<p>9.5(3) The ISO must allocate the participant-related costs of transmission line shared by two or more substations to the substations by:</p> <ul style="list-style-type: none"> (a) determining the higher of the sum of all Rate DTS contract capacities or the sum of all Rate STS contract capacities for each substation in each of the twenty (20) years following commercial operation of the original transmission line, assigning a contract capacity of zero (0) in any year in which a substation did not exist;

<ul style="list-style-type: none"> (b) calculating the percentage share of the transmission line attributable to each substation by dividing the contract capacity determined in subsection 5.5(3)(a) above for the substation in a year by the sum of contract capacities determined for all sharing substations in that year; (c) calculating the average percentage share over the full 20 year period for each substation; and (d) multiplying the cost of the shared transmission line by the average percentage share determined for each substation. 	<ul style="list-style-type: none"> (b) calculating the percentage share of the transmission line attributable to each substation by dividing the contract capacity determined in subsection 3(2)(a) above for the substation in a year by the sum of contract capacities determined for all sharing substations in that year; (c) calculating the average percentage share over the full twenty (20) year period for each substation; and (d) multiplying the cost of the shared transmission line by the average percentage share determined for each substation.
<p>5.5(4) The ISO must allocate the participant-related costs of transmission facilities used to provide system access services to more than one market participant at a single substation to the market participants at the substation by:</p> <ul style="list-style-type: none"> (a) determining the substation fraction for each market participant in each of the 20 years following commercial operation of the original connection project, assigning a contract capacity of zero in any year in which a market participant did not receive system access service; (b) calculating the average substation fraction over the full 20 year period for each market participant; and (c) multiplying the cost of the shared transmission facilities by the average substation fraction determined for each market participant. 	<p>9.5(4) The ISO must allocate the participant-related costs of transmission facilities used to provide system access services to more than one market participant at a single substation to the market participants at the substation by:</p> <ul style="list-style-type: none"> (a) determining the substation fraction for each market participant in each of the twenty (20) years following commercial operation of the original connection project, assigning a contract capacity of zero (0) in any year in which a market participant did not receive system access service; (b) calculating the average substation fraction over the full twenty (20) year period for each market participant; and (c) multiplying the cost of the shared transmission facilities by the average substation fraction determined for each market participant.

<p>5.5(5) The ISO, as a result of the allocation of costs of shared transmission facilities under subsections 5.5(2), 5(3) and 5(4) above:</p> <ul style="list-style-type: none"> (a) must reduce the participant-related costs allocated to the original market participant; and (b) may refund under subsection 5.6 below, where applicable, in part or in full, a construction contribution previously paid by that market participant. 	<p>9.5(5) The ISO, as a result of the allocation of costs of shared transmission facilities under subsections 5(2), 5(3) and 5(4) above:</p> <ul style="list-style-type: none"> (a) must reduce the participant-related costs allocated to the original market participant; and (b) may refund under subsection 6 below, where applicable, in part or in full, a construction contribution previously paid by that market participant.
<p>5.5(6) The ISO, as a result of the allocation of costs of shared transmission facilities under subsections 5.5(2), (3) and (4) above:</p> <ul style="list-style-type: none"> (a) must include the allocated share of existing transmission facilities in the determination of participant-related costs for the additional market participants under subsection 4.2(2)(d) of section 5 of the ISO tariff, Classification and Allocation for Connection Projects Costs; and (b) may assess construction contributions to the additional market participants under section 4 of the ISO tariff, Classification and Allocation for Connection Projects Costs. 	<p>9.5(6) The ISO, as a result of the allocation of costs of shared transmission facilities under subsections 5(2), 5(3), and 5(4) above:</p> <ul style="list-style-type: none"> (a) must include the allocated share of existing transmission facilities in the determination of participant-related costs for the additional market participants under subsection 3(2)(d) of section 8 of the ISO tariff, Construction Contributions for Connection Projects; and (b) may assess construction contributions to the additional market participants under section 8 of the ISO tariff, Construction Contributions for Connection Projects.
<p>5.5(7) The ISO must reclassify the participant-related costs of a connection project as system-related costs if, within 20 years after commercial operation of the original connection project, transmission facilities are constructed to serve a market participant and are then, in the determination of the ISO, used for the benefit of many market participants, based on calculating the average percentage share over the full 20 year period for the original connection project and the time the ISO reclassified the costs as system-related.</p>	<p>[new]</p>

Determination of Construction Contribution	
5.6	The ISO must determine the amount of an adjustment to a construction contribution paid for a connection project in accordance with the construction contribution provisions described in the ISO tariff as applied to the transmission facility at the time construction is completed.
9.6	The ISO must determine the amount of an adjustment to a construction contribution paid for a connection project in accordance with the construction contribution provisions described in the ISO tariff as applied to the transmission facilities when constructed.
Payments and Refunds	
5.7(1)	A market participant must pay a construction contribution adjustment or a payment in lieu of notice: <ul style="list-style-type: none"> (a) at least 30 days prior to the effective date of a change to a <i>System Access Service Agreement</i>, if the payment arises from changes to contract capacity or investment term that do not require construction of a transmission facility; and (b) within 30 days of a request for payment, in all other circumstances.
9.7(1)	The market participant must pay a construction contribution adjustment or a payment in lieu of notice: <ul style="list-style-type: none"> (a) at least thirty (30) days prior to the effective date of a change to a system access service agreement, when the payment arises from changes to contract capacity or investment term that do not require construction of transmission facilities; and (b) within thirty (30) days of a request for payment, in all other circumstances.
5.7(2)	A legal owner of a transmission facility must refund a construction contribution adjustment: <ul style="list-style-type: none"> (a) within 30 days after the effective date of a change to a <i>System Access Service Agreement</i>, if the refund arises from changes to contract capacity or investment term that do not require construction of a transmission facility; (b) within 90 days after the Commission issues permit and licence for a transmission facility, if the refund results from the construction of the transmission facility; and (c) within 90 days of the ISO determining the amount of the adjustment, in all other circumstances.
9.7(2)	The legal owner of the transmission facilities must refund a construction contribution adjustment: <ul style="list-style-type: none"> (a) within thirty (30) days after the effective date of a change to a system access service agreement, when the refund arises from changes to contract capacity or investment term that do not require construction of transmission facilities; (b) within ninety (90) days after the Commission issues permit and licence for transmission facilities, where the refund results from the construction of the transmission facilities; and (c) within ninety (90) days of the ISO determining the amount of the adjustment, in all other circumstances.

<p>5.7(3) The market participant must pay:</p> <ul style="list-style-type: none"> (a) an increase in construction contribution by way of electronic funds transfer or wire transfer to the bank account a legal owner of a transmission facility specifies; and (b) a payment in lieu of notice by way of electronic funds transfer or wire transfer to a bank account the ISO specifies. 	<p>9.7(3) The market participant must pay:</p> <ul style="list-style-type: none"> (a) any increase in construction contribution by way of electronic funds transfer or wire transfer to the bank account the legal owner of the transmission facilities specifies; and (b) a payment in lieu of notice by way of electronic funds transfer or wire transfer to the bank account the ISO specifies.
<p>5.7(4) A market participant must pay and a legal owner of a transmission facility must refund all adjustments without interest.</p>	<p>9.7(4) The market participant must pay and the legal owner of the transmission facilities must refund all adjustments without interest.</p>
<p>5.7(5) A market participant is not required to pay and a legal owner of a transmission facility is not required to refund an adjustment amount less than \$10 000.</p>	<p>9.7(5) The market participant is not required to pay and the legal owner of the transmission facilities is not required to refund any adjustment amount less than \$10 000.</p>
<p>Section 7: Generating Unit Owner's Contribution</p>	
<p>Applicability</p>	
<p>7.1 This section of the ISO tariff applies to the owner (as that term is defined in the Act) of a generating facility, being a generating unit or an aggregated generating facility:</p> <ul style="list-style-type: none"> (a) with a capacity (determined in accordance with subsection 7.3 below) that is or will be greater than 1 MW; (b) that is or will be connected to the transmission system an electric distribution system connected on or after January 1, 2006; and (c) for which revenue metering equipment to measure hourly metered energy has been installed.. 	<p>10.1 Section 10 of the ISO tariff applies to:</p> <ul style="list-style-type: none"> (a) a market participant: <ul style="list-style-type: none"> (i) who has requested or is receiving system access service under Rate STS, <i>Supply Transmission Service</i>; (ii) whose agreement for system access service will be or was signed on or after January 1, 2006; and (iii) whose Rate STS contract capacity will be or is greater than one (1) MW; and (b) the ISO.

Determination of Owner's Contribution	Allocation of Rate STS Contract Capacity
<p>7.3(1) The ISO must calculate an owner's contribution for a generating facility as:</p> <ul style="list-style-type: none"> (a) the capacity determined in accordance with subsection 7.3 below; <p style="padding-left: 40px;">multiplied by</p> <ul style="list-style-type: none"> (b) the owner's contribution rate (i.e., Column B, in subsection 7.4 below) for the area of the transmission system where the generating facility will be located (i.e., Column A, in subsection 7.4 below). 	<p>10.2 The ISO must allocate Rate STS contract capacity to each generation facility, being a generating unit or an aggregated generating facility, connected under a Rate STS system access service agreement to which this section of the ISO tariff is applicable, as follows:</p> <ul style="list-style-type: none"> (a) for a new system access service agreement for a single new generation facility, the Rate STS contract capacity specified in the agreement must be allocated in its entirety to the new generation facility; (b) for an existing system access service agreement which is amended to add incremental Rate STS contract capacity for a single new generation facility, the incremental Rate STS contract capacity added to the agreement must be allocated in its entirety to the new generation facility; (c) for a new system access service agreement for two (2) or more new generation facilities, the Rate STS contract capacity specified in the agreement must be allocated among each new generation facility in proportion to its maximum capability; and (d) for an existing system access service agreement which is amended to add incremental Rate STS contract capacity for two (2) or more new generation facilities, the incremental Rate STS contract capacity added to the agreement must be allocated among each new generation facility in proportion to its maximum capability.

Determination of Capacity	Determination of Legal Owner's Contribution for a Generation Facility
<p>7.3(1) The ISO must determine the capacity of a generating facility, for the purposes of calculating the owner's contribution for a generating facility, to be:</p> <ul style="list-style-type: none"> (a) if no load is being added at the same time at the same transmission point of connection, the maximum capability of the generating facility; or (b) if load is proposed to be added within a 12 months of adding generation at the same transmission point of connection according to a system access service request or <i>System Access Service Agreement</i> for Rate DTS or for Rate STS, the maximum capability of the generating facility, less minimum load proposed to be added. 	<p>10.3(1) A market participant must pay a legal owner's contribution for a generation facility for:</p> <ul style="list-style-type: none"> (a) new Rate STS contract capacity requirements at a new point of supply for system access service under Rate STS; and (b) incremental Rate STS contract capacity requirements at an existing point of supply for system access service under Rate STS, where such additional requirements are the result of the addition of a new generation facility. <p>10.3(2) The ISO must average the twelve (12) months of highest new or incremental Rate STS contract capacity, during the ten (10) years following the date a connection project enters commercial operation, for the determination of a legal owner's contribution for a generation facility when new or incremental Rate STS contract capacity is staged to include increases or decreases to contract capacity.</p> <p>10.3(3) The ISO must calculate the legal owner's contribution for a generation facility as:</p> <ul style="list-style-type: none"> (a) the amount of new or incremental Rate STS contract capacity calculated in subsection 3(2) above; multiplied by (b) the contribution rate the ISO determines for the area of the transmission system where the generation facility will be located.

	<p>10.3(4) The ISO must:</p> <ul style="list-style-type: none"> (a) determine the legal owner's contribution rate in accordance with section 29 of the <i>Transmission Regulation</i>, which rate will vary between \$10 000/MW and \$50 000/MW based on the area of the transmission system where the generation facility will be located; and <p>10.3(5) The ISO must calculate an additional legal owner's contribution for a generating facility when a market participant materially increases Rate STS contract capacity during the ten (10) years following the date a connection project enters commercial operation, where the additional contribution:</p> <ul style="list-style-type: none"> (a) reflects the resulting increase, if any, to the average Rate STS contract capacity determined in subsection 3(2) above; and (b) is prorated based on any annual amounts previously determined in subsection 5(3) below for years prior to the increase.
<p>7.3(2) If the ISO determines that the capacity determined in accordance with subsection 7.3(1) above does not reflect the actual maximum capability or actual minimal load, the ISO may adjust the capacity for the purpose of recalculating the owner's contribution for the generating facility.</p>	<p>[new]</p>
<p>7.3(2) If the ISO determines that the capacity determined in accordance with subsection 7.3(1) above does not reflect the actual maximum capability or actual minimal load, the ISO may adjust the capacity for the purpose of recalculating the owner's contribution for the generating facility.</p>	<p>[new]</p>

Legal Owner's Contribution Rates																		
7.4(1)	A legal owner's contribution rates for the area of the transmission system where the generating facility will be located are as follows:	<i>[new]</i>																
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> <tr> <th>Planning Region</th> <th>Contribution Rate</th> </tr> </thead> <tbody> <tr> <td>Northwest</td> <td>\$10,000 / MW</td> </tr> <tr> <td>Northeast</td> <td>\$20,000 / MW</td> </tr> <tr> <td>South</td> <td>\$20,000 / MW</td> </tr> <tr> <td>Edmonton</td> <td>\$30,000 / MW</td> </tr> <tr> <td>Calgary</td> <td>\$40,000 / MW</td> </tr> <tr> <td>Central</td> <td>\$50,000 / MW</td> </tr> </tbody> </table>	Column A	Column B	Planning Region	Contribution Rate	Northwest	\$10,000 / MW	Northeast	\$20,000 / MW	South	\$20,000 / MW	Edmonton	\$30,000 / MW	Calgary	\$40,000 / MW	Central	\$50,000 / MW	
Column A	Column B																	
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Edmonton	\$30,000 / MW																	
Calgary	\$40,000 / MW																	
Central	\$50,000 / MW																	

7.4(2)

The planning regions are defined as follows:

[new]

Planning Region	Planning Region Description	Planning Area Number	Planning Area Name
Northwest	This region borders Fort McMurray and Athabasca to the east, Wabamun and Hinton/Edson to the south, British Columbia to the west and the Northwest Territories to the north.	17	Rainbow Lake
		18	High Level
		19	Peace River
		20	Grande Prairie
		21	High Prairie
		22	Grande Cache
		23	Valleyview
		24	Fox Creek
		26	Swan Hills
Northeast	This region borders High Level, Peace River, High Prairie, Swan Hills and Wabamun areas to the west, Edmonton, Fort Saskatchewan, Vegreville and Cold Lake areas to the south, Northwest Territories to the north and Saskatchewan to the east.	25	Fort McMurray
		27	Athabasca/ Lac La Biche
		33	Fort Saskatchewan.

[new]

Edmonton	This region borders Swan Hills, Athabasca and Fort Sask. areas to the north, Hinton and Dayton Valley to the west, Red Deer and Alliance to the south and Vegreville to the east.	31	Wetaskiwin
		40	Lake Wabamun
		60	Edmonton
Central	This region borders Grande Cache, Fox Creek, Swan Hills, Wabamun, Wetaskiwin, Fort Saskatchewan and Cold Lake to the north, British Columbia to the west, Saskatchewan to the east and Seebe, Airdrie, Strathmore, Sheerness and Empress to the south.	13	Lloydminster
		28	Cold Lake
		29	Hinton/Edson
		30	Drayton Valley
		32	Wainwright
		34	Abraham Lake
		35	Red Deer
		36	Alliance/Battle River
		37	Provost
		38	Caroline
		39	Didsbury
		42	Hanna
56	Vegreville		

Calgary	This region includes Calgary and Airdrie. This region borders Didsbury to the north, Seebe to the west, Strathmore to the south and High River and Hanna to the east.	6	Calgary	<i>[new]</i>
		57	Airdrie	
South	This region borders Abraham Lake, Caroline, Didsbury, Hanna, Calgary and Airdrie to the north, Montana to the south, British Columbia to the west and Saskatchewan to the east.	4	Medicine Hat	
		43	Sheerness	
		44	Seebe	
		45	Strathmore/Blackie	
		46	High River	
		47	Brooks	
		48	Empress	
		49	Stavely	
		52	Vauxhall	
		53	Fort MacLeod	
		54	Lethbridge	
		55	Glenwood	

Payment of Legal Owner's Contribution			
7.5(1) <i>[moved to subsection 3.6(4)]</i>	10.4(1) The market participant must pay the legal owner's contribution for a generation facility in full to the ISO by the later of: <ul style="list-style-type: none"> (a) ninety (90) days after the Commission issues permit and licence for the connection project; (b) thirty (30) days before the start of brushing or other vegetation management activities required for the connection project; or (c) where brushing and other vegetation management activities are not required, thirty (30) days before the installation of any conductors, transformers, switches or other equipment required for the connection project. 		
7.5(1) The owner of a generating facility must pay the owner's contribution for a generating facility to the ISO by way of electronic funds transfer or wire transfer to a bank account the ISO specifies.	10.4(3) The market participant must pay the legal owner's contribution for a generation facility in full to the ISO by way of electronic funds transfer or wire transfer to the bank account the ISO specifies:		
7.5(2) The ISO must invoice the owner of a generating facility for the owner's contribution for a generating facility prior to the time that a <i>System Access Service Agreement</i> is required to be executed in accordance with section 3 of the ISO tariff , <i>System Access Service Requests</i> .	<i>[new]</i>		
7.5(3) If the construction of transmission facilities is required for a connection project, the owner of a generating facility must pay the owner's contribution for the generating facility in full to the ISO within 30 days of the <i>System Access Service Agreement</i> for Rate STS becoming effective pursuant to subsection 3.7(1) of the ISO tariff , <i>System Service Access Requests</i> .	10.4(4) The market participant must pay the legal owner's contribution for a generation facility in addition to the construction contribution determined in section 8 of the ISO tariff , <i>Construction Contributions for Connection Projects</i> .		
7.5(4) If the construction of transmission facilities is not required for a connection project, the owner of a generating facility must pay the owner's contribution for the generating facility in full to the ISO within 30 days after the <i>System Access Service Agreement</i> for Rate STS is executed	<i>[new]</i>		

Refund of Legal Owner's Contribution	
<p>7.6(1) The ISO must refund a contribution for a generating facility to the owner who originally paid it, or as otherwise directed by the owner who originally paid it, if the generating facility satisfies the ISO rules regarding satisfactory annual performance, in accordance with the provisions of this subsection 7.6.</p>	<p>10.5(1) The ISO must refund to the market participant the legal owner's contribution for a generation facility where the generation facility meets the ISO rules regarding satisfactory annual performance, in accordance with the provisions of this subsection 5.</p>
<p>7.6(2) The ISO must refund an owner's contribution for a generating facility in annual amounts during the refund period, which begins on January 1 following the in-service date stated in the <i>System Access Service Agreement</i> for Rate STS and ends 9 calendar years later on December 31.</p>	<p>10.5(2) The ISO must refund the legal owner's contribution for a generation facility in annual amounts during the refund period, which begins on January 1 following the date the generation facility enters commercial operation and ends nine (9) calendar years later on December 31.</p>
<p>7.6(3) The ISO must calculate the annual amounts during the refund period as:</p> <ul style="list-style-type: none"> (a) 5.6% of the contribution for a generating facility, in each of the first through fourth calendar years in the refund period; (b) 11.2% of the contribution for a generating facility, in the fifth calendar year in the refund period; and (c) 16.6% of the contribution for a generating facility, in each of the sixth through ninth calendar years in the refund period. 	<p>10.5(3) The ISO must calculate the annual amounts during the refund period as:</p> <ul style="list-style-type: none"> (a) 5.6% of the legal owner's contribution for the generation facility, in each of the first through fourth calendar years in the refund period; (b) 11.2% of the legal owner's contribution for the generation facility, in the fifth calendar year in the refund period; and (c) 16.6% of the legal owner's contribution for the generation facility, in each of the sixth through ninth calendar years in the refund period.

7.6(4) The **ISO** must refund, as follows, an owner's contribution for a generating facility, for each calendar year during the refund period, the annual amount determined under subsection 7.6(3) above:

- (a) in full if the generating facility completely satisfies the performance criteria established in section 505.2 of the **ISO rules, Performance Criteria for Refund of Generating Unit Owner's Contribution**, during that calendar year;
- (b) reduced in proportion to the performance assessment calculated in accordance with section 505.2 of the **ISO rules, Performance Criteria for Refund of Generating Unit Owner's Contribution**, if the generating facility does not fully satisfy the performance criteria during that calendar year; or
- (c) reduced to zero dollars if the generating facility has not energized:
 - (i) before the start of the first calendar year following the in-service date in the *System Access Service Agreement* for Rate STS; or
 - (ii) before the start of the calendar years that follow.

10.5(4) The **ISO** must refund to the **market participant**, for each calendar year during the refund period, the annual amount determined under subsection 5(3) above:

- (a) in full when the generation facility fully satisfies the performance criteria established in section 505.2 of the **ISO rules, Performance Criteria for Refund of Generating Unit Owner's Contribution**, during that calendar year; or
- (b) reduced in proportion to the performance assessment calculated in accordance with section 505.2 of the **ISO rules, Performance Criteria for Refund of Generating Unit Owner's Contribution**, when the generation facility does not fully satisfy the performance criteria during that calendar year.

<p>[removed]</p>	<p>10.5(5) The ISO must determine annual amounts and provide refunds in accordance with subsections 5(2), 5(3) and 5(4) above even if the Rate STS contract capacity is zero (0) in one or more calendar years during the refund period.</p> <p>10.5(6) The ISO may reduce a refund if:</p> <ul style="list-style-type: none"> (a) the refund would have otherwise been reduced in proportion to the performance assessment described in subsection 5(4) above except for a material decrease to Rate STS contract capacity during the ten (10) years following the date a connection project enters commercial operation; (b) the ISO could have potentially avoided an upgrade to or expansion of the transmission system if the lower Rate STS contract capacity had been originally requested; and (c) no transmission system benefits arise from the decrease to Rate STS contract capacity.
<p>7.6(5) The ISO must refund the amount of an owner’s contribution for a generating facility determined in accordance with subsections 7.6(3) and (4) above by February 28 of the year following the calendar year to which the refund relates.</p>	<p>10.5(7) The ISO must refund to the market participant the amount determined in accordance with subsections 5(4), 5(5), and 5(6) above by February 28 of the year following the calendar year to which the refund relates.</p>
<p>7.6(6) The ISO must refund the annual amounts without interest.</p>	<p>10.5(8) The ISO must refund the annual amounts without interest.</p>
<p>Adjustment of Refunds</p>	
<p>7.7(1) The ISO must revise the refund of an annual amount without interest, in whole or in part, if the ISO determines that an error was made or that an inappropriate amount was refunded.</p>	<p>[new]</p>

7.7(2) An owner must return a refund of an annual amount, in whole or in part, if the ISO determines that an error was made or that an inappropriate amount was refunded.	10.6 The market participant must return a refund of an annual amount, in whole or in part, if the ISO determines that an error was made or that an inappropriate amount was refunded.
Section 8: Ancillary Services	
General	
8.1 Ancillary services are provided by market participants when the ISO determines there is a need for such services to maintain system reliability and ensure the reliable operation of the interconnected electric system . Market participants required by the ISO to provide ancillary services shall be directed to do so in accordance with ISO rules and will be compensated as provided in subsections 8.2 through 8.7 below, as applicable.	11.1 Ancillary services are provided by market participants when the ISO determines there is a need for such services to maintain system reliability and ensure the reliable operation of the interconnected electric system . Market participants required by the ISO to provide ancillary services shall be directed to do so in accordance with ISO rules and will be compensated as provided in subsections 2 through 7 below, as applicable.
Contracted Ancillary Services	
8.2 If at the time the market participant is directed to provide ancillary services the market participant has an existing contract with the ISO to provide the ancillary services in question from the directed facility (the “existing contract”), then the amount to be paid to the market participant by the ISO for the ancillary services shall be determined according to the terms of the existing contract.	11.2 If at the time the market participant is directed to provide ancillary services the market participant has an existing contract with the ISO to provide the ancillary services in question from the directed facility (the “existing contract”), then the amount to be paid to the market participant by the ISO for the ancillary services shall be determined according to the terms of the existing contract.
Directed Ancillary Services Other Than Transmission Must-Run Services	
8.3 If at the time the market participant is directed to provide an ancillary service other than transmission must-run service, the market participant does not have an existing contract, then the amount to be paid to the market participant by the ISO 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:	11.3 If at the time the market participant is directed to provide an ancillary service other than transmission must-run service, the market participant does not have an existing contract, then the amount to be paid to the market participant by the ISO 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:

<p>8.3(a) The product of the MW hour directed and the highest price paid in the hour to market participants providing the same ancillary service pursuant to subsection 8.2 above and that the existing contract was the result of a competitive process conducted in the prior 12 months; or</p>	<p>11.3(a) The product of the MW hour directed and the highest price paid in the hour to market participants providing the same ancillary service pursuant to subsection 2 above and that the existing contract was the result of a competitive process conducted in the prior twelve (12) months; or</p>
<p>8.3(b) The verifiable net opportunity cost related to foregone electricity sales incurred by the market participant to supply the directed ancillary service, taking into account offsetting power pool energy receipts.</p>	<p>11.3(b) The verifiable net opportunity cost related to foregone electricity sales incurred by the market participant to supply the directed ancillary service, taking into account offsetting power pool energy receipts.</p>
<p>Transmission Must-Run Services</p>	
<p>8.4(1) Transmission must-run services are ancillary services provided by market participants with generating units in response to a directive provided by the ISO to ensure safe and reliable electrical service for a region of the interconnected electric system.</p>	<p>11.4(1) Transmission must-run services are ancillary services provided by market participants with generating units in response to a directive provided by the ISO to ensure safe and reliable electrical service for a region of the interconnected electric system</p>
<p>8.4(2) Transmission must-run services are foreseeable if the ISO, taking into account reasonable procurement timing requirements, determines transmission must-run services are required to meet ISO transmission reliability criteria which includes consideration of expected operating conditions and transmission planned outages. Transmission must-run services are unforeseeable transmission must-run services if they do not constitute foreseeable transmission must-run services.</p>	<p>11.4(2) Transmission must-run services are foreseeable if the ISO, taking into account reasonable procurement timing requirements, determines transmission must-run services are required to meet ISO transmission reliability criteria which includes consideration of expected operating conditions and transmission planned outages. Transmission must-run services are unforeseeable transmission must-run services if they do not constitute foreseeable transmission must-run services.</p>
<p>Arrangements and Compensation for Foreseeable Transmission Must-Run Services</p>	
<p>8.5 Arrangements and compensation for foreseeable transmission must-run services will be made in accordance with the <i>Foreseeable TMR Service Procurement Procedure</i> (Appendix C of the ISO tariff).</p>	<p>11.5 Arrangements and compensation for foreseeable transmission must-run services will be made in accordance with the <i>Foreseeable TMR Service Procurement Procedure</i> (Appendix C of the ISO tariff).</p>
<p>Compensation for Unforeseeable Transmission Must-Run Services</p>	

<p>8.6(1) If at the time the market participant is directed to provide unforeseeable transmission must-run service the market participant does not have an existing contract, then the amount to be paid to the market participant in the applicable settlement period for unforeseeable transmission must-run service is equal to variable costs plus fixed costs, where:</p>	<p>11.6(1) If at the time the market participant is directed to provide unforeseeable transmission must-run service the market participant does not have an existing contract, then the amount to be paid to the market participant in the applicable settlement period for unforeseeable transmission must-run service is equal to variable costs plus fixed costs, where:</p>
<p>8.6(1)(a) variable costs means the hourly difference of the pool price subtracted from the energy price, which shall not be less than zero (0), multiplied by the corresponding hourly energy generated (MWh) by the specific directed generating unit in compliance with the directive to provide unforeseeable transmission must-run service, where:</p> <ul style="list-style-type: none"> (i) energy price (\$/MWh) is the product of the heat rate multiplied by the fuel cost, added to the sum of the variable Rate STS charges and variable O&M charge; (ii) heat rate (GJ/MWh) is the actual heat rate of the market participant'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 <i>Canadian Gas Price Reporter</i>, for natural gas on the applicable day. The fuel cost for a coal generating unit shall be provided by the market participant; (iv) variable Rate STS charge (\$/MWh) is the actual cost of all variable charges from Rate STS of the ISO tariff, including the applicable loss factor charge or credit; and (v) variable O&M charge (\$/MWh) is the all-in cost (including major/minor overhauls), fixed at \$4.00/MWh, of providing incremental output from the unit, excluding fuel costs and variable Rate STS charges; 	<p>11.6(1)(a) variable costs means the hourly difference of the pool price subtracted from the energy price, which shall not be less than zero (0), multiplied by the corresponding hourly energy generated (MWh) by the specific directed generating unit in compliance with the directive to provide unforeseeable transmission must-run service, where:</p> <ul style="list-style-type: none"> (i) Energy price (\$/MWh) is the product of the heat rate multiplied by the fuel cost, added to the sum of the variable Rate STS charges and variable O&M charge. (ii) Heat rate (GJ/MWh) is the actual heat rate of the market participant'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 <i>Canadian Gas Price Reporter</i>, for natural gas on the applicable day. The fuel cost for a coal generating unit shall be provided by the market participant. (iv) Variable Rate STS charge (\$/MWh) is the actual cost of all variable charges from Rate STS of the ISO tariff, including the applicable loss factor charge or credit. (v) Variable O&M charge (\$/MWh) is the all-in cost (including major/minor overhauls), fixed at \$4.00/MWh, of providing incremental output from the unit, excluding fuel costs and variable Rate STS charges.

<p>8.6(1)(b) fixed costs are equal to the average monthly fixed cost multiplied by the greater of the must-run ratio or the minimum must-run ratio, where:</p> <p>i) Average monthly fixed cost is equal to one-twelfth of the sum of the annual costs in items (A) through (H) as follows:</p> <p>(A) annual amortization and depreciation amounts for the market participant's investment or for the power purchase arrangement acquisition cost related to the specific directed generating unit, consistent with amounts reported in the market participant's audited financial statements and adjusted for cogeneration infrastructure not utilized for generation purposes;</p> <p>(B) the product of the unamortized or undepreciated capital investment 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 the unamortized or undepreciated capital investment is the greater of</p> <p>(1) the market participant's initial cost of property, plant and equipment for the specific directed generating unit or the market participant's initial power purchase arrangement 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</p> <p>(2) 25% of the market participant's initial cost of property, plant and equipment for the specific directed generating unit or the market participant's initial power purchase arrangement acquisition cost related to the specific directed power purchase arrangement.</p> <p>(C) the product of unamortized or undepreciated capital investment, 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</p>	<p>11.6(1)(b) Fixed costs are equal to the average monthly fixed cost multiplied by the greater of the must-run ratio or the minimum must-run ratio, where:</p> <p>i) Average monthly fixed cost is equal to one-twelfth of the sum of the annual costs in items (A) through (H) as follows:</p> <p>(A) annual amortization and depreciation amounts for the market participant's investment or for the power purchase arrangement acquisition cost related to the specific directed generating unit, consistent with amounts reported in the market participant's audited financial statements and adjusted for cogeneration infrastructure not utilized for generation purposes;</p> <p>(B) the product of the unamortized or undepreciated capital investment 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 the unamortized or undepreciated capital investment is the greater of</p> <p>(1) the market participant's initial cost of property, plant and equipment for the specific directed generating unit or the market participant's initial power purchase arrangement 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</p> <p>(2) 25% of the market participant's initial cost of property, plant and equipment for the specific directed generating unit or the market participant's initial power purchase arrangement acquisition cost related to the specific directed power purchase arrangement.</p> <p>(C) the product of unamortized or undepreciated capital investment, as described in (B) above, multiplied by a</p>
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<p>equity;</p> <p>(D) if the market participant provides verifiable actual values for the items in both (B) and (C) then those will be used instead of the deemed values;</p> <p>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;</p> <p>(F) total annual direct fixed operation and maintenance costs associated with the specific directed generating unit;</p> <p>(G) total annual direct fixed fuel costs associated with the specific directed generating unit; and</p> <p>(H) fixed charges from applicable power purchase arrangements associated with the specific directed generating unit.</p> <p>(ii) must-run ratio is the ratio of the number of hours in the month when unforeseeable transmission must-run services were provided to the total number of hours in the month; and</p> <p>(iii) minimum must-run ratio is:</p> <p>(A) 12% for the first or second unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO;</p> <p>(B) 20% for the third unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO;</p> <p>(C) 30% for the fourth unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO;</p> <p>(D) 40% for the fifth unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO; or</p>	<p>deemed 30% common equity percentage of capital structure multiplied by a deemed 12% rate of return on equity;</p> <p>(D) if the market participant provides verifiable actual values for the items in both (B) and (C) then those will be used instead of the deemed values;</p> <p>(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;</p> <p>(F) total annual direct fixed operation and maintenance costs associated with the specific directed generating unit;</p> <p>(G) total annual direct fixed fuel costs associated with the specific directed generating unit; and</p> <p>(H) fixed charges from applicable power purchase arrangements associated with the specific directed generating unit.</p> <p>(ii) Must-run ratio is the ratio of the number of hours in the month when unforeseeable transmission must-run services were provided to the total number of hours in the month;</p> <p>(iii) Minimum must-run ratio is:</p> <p>(A) 12% for the first or second unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO;</p> <p>(B) 20% for the third unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO;</p> <p>(C) 30% for the fourth unforeseeable transmission must-run service event within a rolling 12-month period in</p>
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<p>(E) 50% for the sixth or any additional unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO.</p> <p>If there is more than one unforeseeable transmission must-run service event in a settlement period, the minimum must-run ratio shall be the highest applicable percentage described in (A) through (E) above.</p>	<p>which transmission must-run service is directed by the ISO;</p> <p>(D) 40% for the fifth unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO; or</p> <p>(E) 50% for the sixth or any additional unforeseeable transmission must-run service event within a rolling 12-month period in which transmission must-run service is directed by the ISO.</p> <p>If there is more than one unforeseeable transmission must-run service event in a settlement period, the minimum must-run ratio shall be the highest applicable percentage described in (A) through (E) above.</p>
<p>8.6(2) In lieu of the variable and fixed costs in subsections 8.6(1)(a) and (b) above, if a market participant can demonstrate foregone future energy sales due to a transmission must-run directive, then the verifiable net opportunity cost related to foregone electricity sales incurred by the market participant to supply the directed transmission must-run service, taking into account offsetting power pool energy receipts. This applies only to market participants that have responded to a transmission must-run directive using hydroelectric generating units.</p>	<p>11.6(2) In lieu of the variable and fixed costs in subsections 6(1)(a) and 6(1)(b) above, if a market participant can demonstrate foregone future energy sales due to a transmission must-run directive, then the verifiable net opportunity cost related to foregone electricity sales incurred by the market participant to supply the directed transmission must-run service, taking into account offsetting power pool energy receipts. This applies only to market participants that have responded to a transmission must-run directive using hydroelectric generating units.</p>

Maximum Transmission Must-Run Services Compensation			
8.7	The maximum monthly amount to be paid by the ISO for transmission must-run 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 subsection 8.6 above.	11.7	The maximum monthly amount to be paid by the ISO for transmission must-run 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 subsection 6 above.
Invoicing			
8.8	A market participant that provide unforeseeable transmission must-run service in response to a directive from the ISO will submit an invoice to the ISO within 15 business days after the end of the month in which the service was provided. The amount of the invoice shall be determined in accordance with the method in subsection 8.6 above and will separately itemize the values used for each component specified (fixed and variable costs).	11.8	A market participant that provide unforeseeable transmission must-run service in response to a directive from the ISO will submit an invoice to the ISO within fifteen (15) business days after the end of the month in which the service was provided. The amount of the invoice shall be determined in accordance with the method in subsection 6 above and will separately itemize the values used for each component specified (fixed and variable costs).
Audit Rights			
8.9	The ISO has the right to audit a market participant's invoices and source information related thereto for transmission must-run services, provided that any such audit is:	11.9	The ISO has the right to audit a market participant's invoices and source information related thereto for transmission must-run services, provided that any such audit is:
8.9(a)	conducted only on reasonable prior notice to the market participant ;	11.9(a)	conducted only on reasonable prior notice to the market participant ;
8.9(b)	conducted on the market participant's premises during normal business hours;	11.9(b)	conducted on the market participant's premises during normal business hours;
8.9(c)	not conducted by or the information gathered made available to, those individuals at the ISO that determine contestability for purposes of the ISO procuring transmission must-run competitively;	11.9(c)	not conducted by or the information gathered made available to, those individuals at the ISO that determine contestability for purposes of the ISO procuring transmission must-run competitively;
8.9(d)	conducted subject to section 103.1 of the ISO rules regarding confidential information; and that	11.9(d)	conducted subject to section 103.1 of the ISO rules regarding confidential information; and that

8.9(e) no copies of records reviewed during the audit shall be made without the market participant's prior written consent.	11.9(e) no copies of records reviewed during the audit shall be made without the market participant's prior written consent.
Section 9: Demand Opportunity Service	
Applicability	
9.1 This section applies to a market participant who has requested or is receiving system access service under Rate DOS, <i>Demand Opportunity Service</i> .	12.1 This section applies to a market participant who has requested or is receiving system access service under Rate DOS, <i>Demand Opportunity Service</i> .
Eligibility and Pre-Qualification	
9.2(1) A market participant must pre-qualify on an annual basis for demand opportunity service to receive system access service under Rate DOS.	12.2(1) A market participant must pre-qualify on an annual basis for demand opportunity service to receive system access service under Rate DOS.
9.2(2) A market participant who wishes to pre-qualify for demand opportunity service: <ul style="list-style-type: none"> (a) must submit to the ISO a completed pre-qualification application, available in the demand opportunity service section of the AESO website or from the ISO, at least 45 days prior to submitting a transaction request for demand opportunity service; and (b) pay a non-refundable fee of \$5,000 to the ISO for evaluation of the market participant's eligibility for demand opportunity service at the time the pre-qualification application is submitted. 	12.2(2) A market participant who applies to pre-qualify for demand opportunity service must: <ul style="list-style-type: none"> (a) submit to the ISO a completed pre-qualification application, available in the demand opportunity service section of the AESO website or from the ISO; (b) submit the pre-qualification application at least forty-five (45) days prior to submitting a transaction request for demand opportunity service; and (c) pay a non-refundable fee of \$5 000 to the ISO for evaluation of the market participant's eligibility for demand opportunity service when the pre-qualification application is submitted.

<p>9.2(3) The ISO must approve a market participant's pre-qualification for demand opportunity service only if:</p> <ul style="list-style-type: none"> (a) the market participant meets the commercial eligibility criteria for demand opportunity service provided in subsection 9.3 below; (b) the market participant's use of demand opportunity service would not occur under any other applicable rate; and (c) there is sufficient transmission capacity and suitable system operating conditions capable of accommodating the request. 	<p>12.2(3) The ISO must approve the market participant's pre-qualification for demand opportunity service only when:</p> <ul style="list-style-type: none"> (a) the market participant meets the commercial eligibility criteria for demand opportunity service provided in subsection 3 below; (b) the market participant's use of demand opportunity service would not proceed on any other applicable rate; and (c) there are sufficient transmission capacity and suitable system operation conditions capable of accommodating the request.
<p>9.2(4) A market participant who pre-qualifies for demand opportunity service must limit use of the service to:</p> <ul style="list-style-type: none"> (a) no more than the demand opportunity service contract capacity which the market participant requested or a lower demand opportunity service contract capacity as the ISO determines is available; (b) the specific type of demand opportunity service, as listed in Rate DOS, which the market participant requested and is eligible for; and (c) a maximum of one (1) year from the date the ISO approves the market participant's pre-qualification. 	<p>12.2(4) A market participant who pre-qualifies for demand opportunity service must limit use of the service to:</p> <ul style="list-style-type: none"> (a) no more than the demand opportunity service contract capacity which the market participant requested or such lower demand opportunity service contract capacity as the ISO determines is available; (b) the specific type or types of demand opportunity service, as listed in Rate DOS, which the market participant requested and is eligible for; and (c) a maximum of one (1) year from the date the ISO approves the market participant's pre-qualification.
<p>9.2(5) The ISO must notify a market participant, in writing, of approval or denial of pre-qualification for demand opportunity service, within 45 days of receiving a pre-qualification application.</p>	<p>12.2(5) The ISO must notify a market participant in writing of approval or denial of approval of pre-qualification for demand opportunity service, within forty-five (45) days of receiving a pre-qualification application.</p>

Commercial Eligibility Criteria			
9.3(1) A market participant must satisfy the ISO that the market participant would not increase metered demand under Rate DTS, <i>Demand Transmission Service</i> , if Rate DOS was not available.	12.3(1) A market participant must provide to the ISO a clear, thorough and convincing case, with supporting facts, that demonstrates that the market participant would not increase metered demand under Rate DTS, <i>Demand Transmission Service</i> , if Rate DOS was not available.		
9.3(2) A market participant must satisfy the ISO that a commercial business opportunity exists for the use of additional electric energy on either a temporary or repeated short-term basis.	12.3(2) The market participant must satisfy the ISO that a commercial business opportunity exists for the use of additional electric energy on either a temporary or repeated short-term basis.		
9.3(3) A market participant must utilize additional electric energy under the DOS 7 Minutes and DOS 1 Hour types of Rate DOS either: <ul style="list-style-type: none"> (a) to replace an alternative source of energy where the market participant: <ul style="list-style-type: none"> (i) has an available alternative source of energy, including means to employ it, that could rationally be used instead of electric energy from the interconnected electric system; and (ii) the cost of utilizing the alternative source of energy is less than the cost of receiving additional electric energy under Rate DTS; or (b) to take advantage of a market opportunity where the market participant: <ul style="list-style-type: none"> (i) has a market or business opportunity that requires additional electric energy; (ii) the cost of receiving additional electric energy under Rate DTS renders the opportunity uneconomic; and (iii) the market participant's alternative is to forego the opportunity. 	12.3(3) The market participant must utilize additional electric energy under the DOS 7 Minutes and DOS 1 Hour types of Rate DOS either: <ul style="list-style-type: none"> (a) to replace an alternative source of energy where the market participant: <ul style="list-style-type: none"> (i) has an available alternative source of energy, including means to employ it, that could rationally be used instead of electric energy from the interconnected electric system; and (ii) the cost of utilizing the alternative source of energy is less than the cost of receiving additional electric energy under Rate DTS; or (b) to take advantage of a market opportunity where the market participant: <ul style="list-style-type: none"> (i) has a market or business opportunity that requires additional electric energy; (ii) the cost of receiving additional electric energy under Rate DTS renders the opportunity uneconomic; and (iii) the market participant's alternative is to forego 		

<p>9.3(4) A market participant must utilize additional electric energy under the DOS Term type of Rate DOS either:</p> <ul style="list-style-type: none"> (a) for the purposes listed in subsection 9.3(3) above; or (b) for scheduled maintenance of a generating unit or an aggregated generating facility where the market participant: <ul style="list-style-type: none"> (i) has planned maintenance of an on-site generating unit or aggregated generating facility that normally supplies electric energy to an industrial complex; and (ii) would reduce the load at its industrial complex in these circumstances rather than pay the cost of receiving additional electric energy under Rate DTS. 	<p style="text-align: center;">the opportunity.</p> <p>12.3(4) The market participant must utilize additional electric energy under the DOS Term type of Rate DOS either:</p> <ul style="list-style-type: none"> (a) for the purposes listed in subsection 3(3)(a) or 3(3)(b) above; or (b) for scheduled maintenance of a generating unit or an aggregated generating facility where the market participant: <ul style="list-style-type: none"> (i) has planned maintenance of an on-site generating unit or aggregated generating facility that normally supplies electric energy to an industrial process on the same premises; and (ii) would reduce the load of its industrial process in these circumstances rather than pay the cost of receiving additional electric energy under Rate DTS.
<p>9.3(5) A market participant must not utilize additional electric energy under any type of Rate DOS when:</p> <ul style="list-style-type: none"> (a) the market participant has the opportunity to install facilities that will reduce the consumption of electric energy from the interconnected electric system; or (b) the requirement for additional electric energy is the result of a forced outage, unplanned outage or derate of an on-site generating unit or aggregated generating facility that normally supplies electric energy to an industrial complex or otherwise displaces consumption of electric energy from the interconnected electric system. 	<p>12.3(5) The market participant must not utilize additional electric energy under any type of Rate DOS when:</p> <ul style="list-style-type: none"> (a) the market participant has the opportunity to install facilities that will reduce the consumption of electric energy from the interconnected electric system; or (b) the requirement for additional electric energy is the result of a forced outage, unplanned outage or derate of an on-site generating unit or aggregated generating facility that normally supplies electric energy to an industrial process on the same premises or otherwise displaces consumption of electric energy from the interconnected electric system.

Transaction Requests	
<p>9.4(1) A market participant may submit a transaction request for demand opportunity service after the ISO approves the market participant's pre-qualification for demand opportunity service under subsection 9.2 above.</p>	<p>12.4(1) The market participant may submit a transaction request for demand opportunity service after the ISO approves a market participant's pre-qualification for demand opportunity service under subsection 2 above.</p>
<p>9.4(2) A market participant may submit a transaction request for demand opportunity service for a point of delivery only if the request has the following attributes:</p> <ul style="list-style-type: none"> (a) it is in accordance with the market participant's confirmed pre-qualification under subsection 9.2(4) above, specifically: <ul style="list-style-type: none"> (i) up to its pre-qualified capacity; and (ii) for the pre-qualified type of demand opportunity service; (b) it is for only one Rate DOS type in any single hour, even if the market participant is eligible for multiple Rate DOS types; (c) it has a minimum continuous duration of 8 hours and a maximum continuous duration of 1 month; and (d) it has a start date and end date in the same month. 	<p>12.4(2) A market participant may submit a transaction request for demand opportunity service for a point of delivery:</p> <ul style="list-style-type: none"> (a) only in accordance with its confirmed pre-qualification under subsection 2(4) above, specifically: <ul style="list-style-type: none"> (i) up to its pre-qualified capacity; and (ii) for the pre-qualified type or types of demand opportunity service; (b) for only one Rate DOS type in any single hour, even if the market participant is eligible for multiple Rate DOS types; (c) with a minimum continuous duration of eight (8) hours and a maximum continuous duration of one (1) month; and (d) with a start date and end date in the same month.
<p>9.4(3) A market participant must submit a completed transaction request form, available in the demand opportunity service section of the AESO website or from the ISO, at least 1 hour and no more than 10 days before the requested start time of a demand opportunity service transaction.</p>	<p>12.4(3) A market participant must submit a completed transaction request form, available in the demand opportunity service section of the AESO website or from the ISO, at least one (1) hour and no more than ten (10) days before the requested start time of the demand opportunity service transaction</p>

<p>9.4(4) The ISO must approve a transaction request for demand opportunity service if it determines that:</p> <ul style="list-style-type: none"> (a) the request meets the requirements of subsection 4(2) and 4(3) above; (b) the request form has been fully and correctly completed; and (c) sufficient surplus capacity exists on the transmission system to accommodate the requested capacity for the duration of the Rate DOS transaction. 	<p>12.4(4) The ISO must approve a transaction request for demand opportunity service if it determines that:</p> <ul style="list-style-type: none"> (a) the request meets the requirements of subsection 4(2) and 4(3) above; (b) the request form has been fully and correctly completed and submitted; and (c) sufficient surplus capacity exists on the transmission system to accommodate the requested capacity for the duration of the Rate DOS transaction.
<p>9.4(5) The ISO must notify a market participant when a transaction request has been approved or has been denied approval.</p>	<p>12.4(5) The ISO must notify a market participant when a transaction request has been approved or has been denied approval.</p>
<p>9.4(6) A market participant may not cancel or revise a Rate DOS transaction request after it is approved by the ISO.</p>	<p>12.4(6) A market participant may not cancel or revise a Rate DOS transaction request after it is approved by the ISO.</p>
<p>Recallable Service</p>	
<p>9.5(1) The ISO must recall demand opportunity service in advance of recalling system access service provided to market participants under Rate DTS and Rate FTS, <i>Fort Nelson Demand Transmission Service</i>, to the extent practicable in an emergency.</p>	<p>12.5(1) The ISO must recall demand opportunity service in advance of system access service provided to market participants under Rate DTS and Rate FTS, <i>Fort Nelson Demand Transmission Service</i>, to the extent practicable in an emergency.</p>
<p>9.5(2) The ISO must recall demand opportunity service:</p> <ul style="list-style-type: none"> (a) in accordance with the provisions of Rate DOS; (b) whenever transmission system capacity becomes insufficient to sustain demand opportunity service, either temporarily or permanently; (c) when the Alberta balancing authority area lacks sufficient ancillary services; and (d) in accordance with the provisions of section 2 of the ISO tariff, <i>Provision of System Access Service</i>. 	<p>12.5(2) The ISO must recall demand opportunity service:</p> <ul style="list-style-type: none"> (a) in accordance with the provisions of Rate DOS; (b) whenever transmission system capacity becomes insufficient to sustain demand opportunity service, either temporarily or permanently; (c) when the Alberta balancing authority area lacks sufficient ancillary services; and (d) in accordance with the provisions of section 2 of the ISO tariff, <i>Provision of and Limitations to System Access Service</i>.

<p>9.5(3) A market participant must curtail capacity provided under Rate DOS if the ISO issues a directive to do so, in accordance with the response time and recall priority set out in Rate DOS for the Rate DOS type approved for the transaction.</p>	<p>12.5(3) A market participant must curtail capacity provided under Rate DOS when the ISO issues a directive to do so, in accordance with the response time and recall priority set out in Rate DOS for the Rate DOS type approved for the transaction.</p>
<p>Effect of Disqualification</p>	
<p>9.6(1) The ISO may audit a market participant's eligibility for and use of demand opportunity service from time to time to verify compliance with the eligibility requirements in subsection 9.2 above and the commercial eligibility criteria in subsection 9.3 above.</p>	<p>12.6(1) The ISO may audit a market participant's eligibility for and use of demand opportunity service from time to time to verify compliance with the eligibility requirements in subsection 2 above and in particular with the commercial eligibility criteria in subsection 3 above.</p>
<p>9.6(2) The ISO may charge a market participant the cost of an audit conducted in accordance with subsection 9.6(1) above.</p>	<p>12.6(2) The ISO may charge the market participant the cost of an audit conducted in accordance with subsection 7(1) above.</p>
<p>9.6(3) The ISO must terminate billing under Rate DOS and bill all metered energy delivered to the market participant under Rate DTS starting on the date of termination of billing under Rate DOS, if the ISO determines that the market participant is no longer eligible for demand opportunity service.</p>	<p>12.6(3) The ISO must terminate billing under Rate DOS and bill all metered energy delivered to the market participant under Rate DTS starting on the date of termination of billing under Rate DOS, if the ISO determines that the market participant is no longer eligible for demand opportunity service.</p>
<p>9.6(4) The ISO may recover retroactive amounts for the period during which a market participant did not qualify for, but was billed under, Rate DOS.</p>	<p>12.6(4) The ISO may, in its sole discretion, recover retroactive amounts for the period during which such market participant did not qualify for, but was billed under, Rate DOS.</p>
<p style="text-align: center;">Section 10: Settlement and Payment Terms</p>	
<p>Applicability</p>	
<p>10.1 This section applies to a market participant who has requested or is receiving system access service under any rate of the ISO tariff.</p>	<p>13.1(1) This section applies to a market participant who has requested or is receiving system access service under any rate of the ISO tariff.</p>

<p>[removed]</p>	<p>13.1(2) A legal owner of an electric distribution system that is regulated by the Commission is not required to comply with the ISO's financial security requirements applicable to system access service charges in subsection 2 below.</p> <p>13.1(3) All other market participants must comply with the ISO's financial security requirements.</p>
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<p>Billing Procedures</p>	
<p>10.2(1) The ISO must issue a statement of account for system access service no later than 15 business days after the end of each settlement period, which statement may include:</p> <ul style="list-style-type: none"> (a) amounts determined on an initial basis for that settlement period; (b) amounts determined on an interim basis for the period 2 months prior to that settlement period; and (c) amounts determined on a final basis for the period 4 months prior to that settlement period. 	<p>13.3(1) The ISO must issue a statement of account for system access service no later than fifteen (15) business days after the end of each settlement period, which statement may include:</p> <ul style="list-style-type: none"> (a) amounts determined on an initial basis for that settlement period; (b) amounts determined on an interim basis for the period two (2) months prior to that settlement period; and (c) amounts determined on a final basis for the period four (4) months prior to that settlement period.
<p>10.2(2) The ISO may review a statement of account and may issue a new statement of account based on the results of that review.</p>	<p>13.3(2) The ISO may review any statement of account and may issue a new statement of account based on that review.</p>
<p>10.2(3) The ISO may choose not to issue a statement of account on an interim or final basis if it would result in a charge or refund of less than \$1,000.</p>	<p>13.3(3) The ISO may choose not to issue a statement of account on an interim or final basis if it would result in a charge or refund of less than \$1 000.</p>

<p>10.2(4) The ISO may use estimated values to produce a statement of account if:</p> <ul style="list-style-type: none"> (a) metered demand or metered energy data is not available or is incomplete; (b) metering equipment fails or the data is under dispute; or (c) the ISO's billing and settlement system is unable to produce a statement of account. 	<p>13.3(4) The ISO may use estimated values to produce a statement of account when metered demand or metered energy data is not available or is incomplete, metering equipment fails or the data is under dispute.</p> <p>13.3(5) The ISO may also use estimated values to produce a statement of account if the ISO's billing and settlement system is unable to produce a statement of account.</p>
<p>10.2(5) The ISO must, when a statement of account is based on estimated values, make an adjustment, to reflect the use of actual or more appropriate estimated values on a subsequent statement of account issued in accordance with:</p> <ul style="list-style-type: none"> (a) amounts determined on an interim basis for the period 2 months prior to that settlement period; or (b) amounts determined on a final basis for the period 4 months prior to that settlement period. 	<p>13.3(6) The ISO must, when a statement of account is based on estimated values, make an adjustment on a subsequent statement of account issued in accordance with subsection 3(1)(b) or 3(1)(c) above to reflect the use of actual or more appropriate estimated values.</p>
<p>10.2(6) The ISO may deduct from a statement of account any amounts it owes to the market participant or its affiliates.</p>	<p>13.3(7) The ISO may deduct from a statement of account any amounts it owes to the market participant or its affiliates.</p>
<p>Totalized Billing</p>	
<p>10.3(1) The ISO may totalize multiple points of delivery, points of supply, or both at separate substations for a single market participant and produce 1 statement of account for a market participant that is an industrial complex.</p>	<p>13.4(1) The ISO may totalize points of delivery and points of supply and produce one statement of account for a market participant that is an industrial facility with multiple points of delivery, points of supply or both.</p>

<p>10.3(2) The ISO must base its decision to totalize on a review of:</p> <ul style="list-style-type: none"> (a) the economics of providing more than a single substation; (b) reclassification of the site as a Commission-designated industrial system; or (c) the existence of a credible transmission bypass alternative. 	<p>13.4(2) The ISO must base its decision to totalize on a review of:</p> <ul style="list-style-type: none"> (a) the economics of providing more than a single point of delivery or point of supply; (b) reclassification of the site as a Commission-designated industrial system; or (c) the existence of a credible transmission bypass alternative.
<p>Adjustments</p>	
<p>10.4(1) A market participant may request that a statement of account be recalculated and reissued 45 or more days after an amount has been determined on a final basis for a settlement period, as a result of:</p> <ul style="list-style-type: none"> (a) unavailable or incomplete meter data; (b) inaccurate estimates of meter data; or (c) reconciliation with updated estimates of meter data. 	<p>13.5(1) A market participant may request that a statement of account be recalculated and reissued forty-five (45) or more days after an amount has been determined on a final basis for a settlement period, as a result of:</p> <ul style="list-style-type: none"> (a) unavailable or incomplete meter data; (b) inaccurate estimates of meter data; or (c) reconciliation with updated estimates of meter data;
<p>10.4(2) The ISO may recover the cost of recalculating and reissuing a statement of account from the market participant.</p>	<p>13.5(2) The ISO may recover the cost of recalculating and reissuing a statement of account from the market participant that is receiving service through the relevant metering equipment.</p>
<p><i>[removed]</i></p>	<p>13.5(3) The market participant must pay the ISO \$1 000 for each recalculated and reissued statement of account.</p>
<p>Provision of Settlement Data</p>	
<p>10.5(1) The ISO must make available to a market participant upon request data required to verify a statement of account for system access service.</p>	<p>13.6(1) The ISO must make available to a market participant during regular business hours any data required to verify a statement of account for system access service.</p>
<p>10.5 (2) The ISO may recover the cost of retrieval and provision of data required to verify a statement of account for system access service from the market participant.</p>	<p>13.6(2) The market participant must pay all of the costs of retrieval and provision of the data.</p>

Payment Terms	
10.6(1) A market participant must pay the amounts shown on the statement of account no later than 20 business days after the end of the settlement period .	13.7(1) A market participant must pay the amounts shown on the statement of account no later than the twentieth business day after the end of the settlement period .
10.6(2) The market participant must make payment by way of electronic funds transfer or wire transfer to a bank account specified by the ISO .	13.7(2) The market participant must make payment by way of electronic funds transfer or wire transfer to the bank account the ISO specifies.
Effect of Non-Compliance	
10.7(1) The ISO may charge interest and other amounts, suspend or terminate system access service and take other action in accordance with section 103.7 of the ISO rules , <i>Financial Default and Remedies</i> , if a market participant : <ul style="list-style-type: none"> (a) fails to comply with a requirement to provide financial security to the ISO for system access service; or (b) fails to pay in full a financial obligation to the ISO for system access service, on or before a specified due date for that financial obligation. 	13.8(1) The ISO may charge interest and other amounts, suspend or terminate system access service and take other action in accordance with section 103.7 of the ISO rules , <i>Financial Default and Remedies</i> , if a market participant : <ul style="list-style-type: none"> (a) fails to comply with a requirement to provide financial security to the ISO for system access service; or (b) fails to pay in full any financial obligation to the ISO for system access service, on or before a specified due date for that financial obligation.
10.7 (2) The ISO must not reinstate system access service to a market participant unless the market participant has paid all financial obligations owing to the ISO in full and has restored or secured its credit facility in a manner satisfactory to the ISO .	13.8(2) The ISO must not reinstate system access service to a market participant until the market participant has paid all financial obligations owing to the ISO in full and has restored or secured its credit facility in a manner satisfactory to the ISO .
Section 11: Peak Metered Demand Waivers	
Applicability	
11.1 This section applies to a market participant who is receiving system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; or (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>. 	14.1 This section applies to a market participant who is receiving system access service under: <ul style="list-style-type: none"> (a) Rate DTS, <i>Demand Transmission Service</i>; or (b) Rate FTS, <i>Fort Nelson Demand Transmission Service</i>.

Causes Eligible for Peak Metered Demand Waivers			
<p>11.2(1) The ISO may waive peak metered demand for a market participant for the purpose of calculating billing capacity if the peak metered demand was caused by one of the following:</p> <ul style="list-style-type: none"> (a) commissioning; (b) activities required to repair and maintain transmission facilities; (c) load restoration activities that or load transfer between point of delivery activities that are part of an electric distribution system that follows a forced outage, planned outage or unplanned outage of transmission facilities or facilities that are part of an electric distribution system; (d) compliance with a directive the ISO issues; or (e) an event of force majeure that impacts the ISO. 	<p>14.2(1) The ISO may waive peak metered demand for a market participant for the purpose of calculating billing capacity when the peak metered demand was caused by one of the following:</p> <ul style="list-style-type: none"> (a) commissioning; (b) activities required to repair and maintain transmission facilities; (c) load restoration activities that: <ul style="list-style-type: none"> (i) follow a forced outage, planned outage or unplanned outage of transmission facilities or facilities that are part of an electric distribution system; or (ii) are caused by an emergency on the transmission system; (d) compliance with a directive the ISO issues during an emergency; or (e) an event of force majeure that impacts the ISO. 		
<p>11.2(2) The ISO may also waive peak metered demand for a legal owner of an electric distribution system for pre-scheduled activities required to maintain facilities that are part of its electric distribution system.</p>	<p>14.2(2) The ISO may also waive peak metered demand for a legal owner of an electric distribution system for pre-scheduled activities required to maintain facilities that are part of its electric distribution system.</p>		
Requests for Peak Metered Demand Waivers			
<p>11.3(1) A market participant may request a peak metered demand waiver by submitting a completed <i>Peak Metered Demand Waiver Request</i> form, available on the AESO website or from the ISO.</p>	<p>14.3(1) A market participant may request a peak metered demand waiver by submitting a completed <i>Peak Metered Demand Waiver Request</i> form, available on the AESO website or from the ISO.</p>		
<p>11.3(2) The market participant must submit the <i>Peak Metered Demand Waiver Request</i> form to the ISO no later than 7 business days after the end of the settlement period for which the waiver is being requested.</p>	<p>14.3(2) The market participant must submit the <i>Peak Metered Demand Waiver Request</i> form to the ISO no later than seven (7) business days after the end of the settlement period for which the waiver is being requested.</p>		

<p>11.3(3) The ISO may, if it does not have sufficient information to make a determination on a peak metered demand waiver request:</p> <ul style="list-style-type: none"> (a) request additional information from the market participant; or (b) request permission to audit the market participant's relevant records associated with the event. 	<p>14.3(4) T The ISO must, if it does not have sufficient information to make a determination on a peak metered demand waiver request:</p> <ul style="list-style-type: none"> (a) request additional information from the market participant; or (b) request permission to audit the market participant's relevant records associated with the event.
Section 12: Miscellaneous	
Applicability	
<p>12.1(1) This section applies to a market participant who has requested or is receiving system access service under any rate in the ISO tariff.</p>	<p>15.1 This section applies to a market participant who has requested or is receiving system access service under any rate in the ISO tariff.</p>
Assignment	
<p>12.2(1) A market participant may assign its agreement for system access service or any rights under it to another market participant who is eligible for the system access service available under the agreement and the ISO tariff, but only with the ISO's prior consent.</p>	<p>15.2(1) A market participant may assign its agreement for system access service or any rights under it to another market participant who is eligible for the system access service available under such agreement and the ISO tariff, but only with the consent of the ISO, such consent not to be unreasonably withheld.</p>
<p>12.2(2) The ISO's consent under subsection 2(1) above must not be unreasonably withheld.</p>	
<p>12.2(3) The ISO must apply to the account of the assignee all rights and obligations associated with the system access service when a system access service agreement for Rate DTS, <i>Demand Transmission Service</i>, Rate FTS, <i>Fort Nelson Demand Transmission Service</i>, or Rate STS, <i>Supply Transmission Service</i>, has been assigned in accordance with subsection 12.2(1) above, including any and all retrospective adjustments due to deferral account reconciliation or any other adjustments.</p>	<p>15.2(2) The ISO must apply to the account of the assignee all rights and obligations associated with the system access service when a system access service agreement for Rate DTS, <i>Demand Transmission Service</i>, Rate FTS, <i>Fort Nelson Demand Transmission Service</i>, or Rate STS, <i>Supply Transmission Service</i>, has been assigned in accordance with subsection 2(1) above, including any and all retrospective adjustments due to deferral account reconciliation or any other adjustments.</p>

Termination by Mutual Agreement	
12.3(1) The ISO and a market participant may, by mutual written agreement, terminate any agreement entered into with respect to system access service under the ISO tariff , provided such termination does not relieve either the ISO or the market participant of any obligations accrued or accruing under the agreement prior to its termination.	15.3 The ISO and a market participant may, by mutual written agreement, terminate any agreement entered into with respect to system access service under the ISO tariff , provided such termination does not relieve either the ISO or the market participant of any obligations accrued or accruing under the agreement prior to its termination.
12.3(2) Subsection 12.3(1) above does not limit the ISO 's ability under subsection 2.4(1) of the ISO tariff , <i>Provision of System Access Service</i> , to unilaterally limit, reduce, withhold or terminate system access service if a market participant fails to comply with a provision of the ISO tariff .	[new]
Compliance with ISO Directives	
12.3(1) The ISO and a market participant may, by mutual written agreement, terminate any agreement entered into with respect to system access service under the ISO tariff , provided such termination does not relieve either the ISO or the market participant of any obligations accrued or accruing under the agreement prior to its termination.	15.4 A market participant must comply with all directives of the ISO in real-time, including those related to technical requirements and provision of ancillary services .
Notifications	
12.4(1) A notice or other document that is required or permitted to be given or served by a market participant upon the ISO under the ISO tariff , must be effected as follows: <ul style="list-style-type: none"> (a) in writing; (b) by personal service, registered letter, or email; and (c) addressed to: AESO 2500, 330 – 5th Avenue SW Calgary, Alberta T2P 0L4 	15.5(1) The market participant must give or serve all notices upon the ISO in accordance with the ISO tariff , in writing, marked "Important" and by personal service, registered letter or fax, addressed to: AESO 2500, 330 – 5th Avenue SW Calgary, Alberta T2P 0L4 Attention: Commercial Services Fax (403) 539-2509

<p>Attention: ISO Tariff ISOTariffnotice@aeso.ca</p>	<p>with a copy to: AESO 2500, 330 – 5th Avenue SW Calgary, Alberta T2P 0L4 Attention: General Counsel Fax (403) 539-2949</p>
<p>12.4(2) A notice or other document that is required or permitted to be given or served by the ISO upon a market participant under the ISO tariff, must be effected as follows:</p> <ul style="list-style-type: none"> (a) in writing; (b) by personal service, registered letter, or email; and (c) sent to the address(es) shown for the market participant in the relevant agreement for system access service. 	<p>15.5(2) The ISO must give or serve all notices upon the market participant in writing and by personal service, registered letter or fax and sent to the address or addresses shown for such market participant in the relevant agreement for system access service.</p>
<p>12.4(3) A market participant and the ISO must deem all notices to be duly given:</p> <ul style="list-style-type: none"> (a) upon delivery if personally delivered; (b) 5 business days after posting if sent by registered mail during normal postal service conditions; or (c) on the same day, if emailed. 	<p>15.5(3) The market participant and the ISO must deem all notices to be duly given:</p> <ul style="list-style-type: none"> (a) upon delivery if personally delivered; (b) five (5) business days after posting if sent by registered mail during normal postal service conditions; or (c) on the same day, if emailed or faxed.
<p>12.4(4) In the event of disruption of normal postal service, a market participant and the ISO must provide notice by personal service or email.</p>	<p>15.5(4) The market participant and the ISO must send all notices by personal delivery in the event of disruption of normal postal services.</p>
<p>Removed Sections</p>	
<p>Section 6, <i>Metering</i></p>	