



Alberta Electric System Operator

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In the Matter of the Need for Transmission Enhancements in the Town of Fox Creek area

And in the matter of the *Electric Utilities Act*, S.A. 2003, c. E-5.1, the *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2, the *Hydro and Electric Energy Act*, R.S.A. 2000, c. H-16, the Regulations made thereunder, and *Alberta Utilities Commission Rule 007*

Application of the Alberta Electric System Operator for Approval of the

Transmission Enhancements in the Town of Fox Creek Area

Needs Identification Document

Date: October 3, 2024

Contents

PART A - APPLICATION	1
1 Introduction	1
1.1 Application.....	1
1.2 Application Overview.....	1
1.3 AESO Directions to the TFO.....	1
2 Need Overview and Proposed Transmission Development	3
2.1 Duty to Provide Transmission System Access Service.....	3
2.2 Proposed Transmission Development.....	3
2.3 Proposed Transmission Development Cost Estimate.....	4
2.4 Transmission Development Alternatives.....	5
2.5 Connection Assessment.....	7
2.6 Transmission Dependencies.....	8
2.7 AESO Participant Involvement Program.....	8
2.8 Environmental and Land Use Effects.....	8
2.9 Approval is in the Public Interest.....	8
3 Request to Combine this Application with the Facility Proposal for Consideration in a Single Process	10
3.1 Facility Proposal.....	10
3.2 Purpose.....	10
4 Relief Requested	11
4.1 Approval is in the Public Interest.....	11
4.2 Request.....	11
PART B – APPLICATION APPENDICES	12
PART C – REFERENCES	13

PART A - APPLICATION

1 Introduction

1.1 Application

Pursuant to Section 34(1)(c) of the *Electric Utilities Act* (Act), and in accordance with further provisions set out in legislation,¹ the Alberta Electric System Operator (AESO) applies to the Alberta Utilities Commission (Commission) for approval of the *Transmission Enhancements in the Town of Fox Creek Area Needs Identification Document* (Application). This application is submitted in accordance with AUC Rule 007, Section 7.1.2, *Abbreviated needs identification document application information requirements*.

1.2 Application Overview

The market participant, NGTL GP Ltd., as general partner on behalf of NGTL Limited Partnership (market participant), requested system access service to connect its Berland River compressor station in the Town of Fox Creek area (AESO Planning Area 24, Fox Creek).

The market participant's request includes a new Rate DTS, Demand Transmission Service, contract capacity of 37 MW. The market participant's request can be met by adding the Pine Creek 328S substation connected to the existing 138 kilovolt (kV) transmission line 685L, adding the Berland River 1182S substation, and adding one 138 kV circuit to connect the Berland River 1182S substation and the Pine Creek 328S substation (collectively the Proposed Transmission Development, as further described in Section 2.2).

The scheduled in-service date for the Proposed Transmission Development is May 6, 2026.

This Application describes the need to respond to the market participant's request for system access service, and the AESO's determination of the manner in which to respond to the request. Having followed the AESO Connection Process,² the AESO has determined that the Proposed Transmission Development provides a reasonable opportunity for the market participant to exchange electric energy and ancillary services. The Proposed Transmission Development is consistent with the AESO's long-term plans for the Northwest Planning Region, which includes the Town of Fox Creek area. The AESO submits this Application to the Commission for approval in accordance with the AESO's responsibility to respond to requests for system access service and having determined that transmission development is required and is in the public interest.^{3,4}

1.3 AESO Directions to the TFO

During the AESO Connection Process, the AESO issued various directions to the legal owner of the transmission facility (TFO), in this case AltaLink Management Ltd., in its capacity as general partner of AltaLink L.P., (AltaLink), including a direction to submit, for Commission approval under the *Hydro and Electric*

¹ The *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2, the *Hydro and Electric Energy Act*, R.S.A. 2000, c. H-16, the Regulations made thereunder, and Alberta Utilities Commission Rule 007 (AUC Rule 007).

² For information purposes, refer to note iv of Part C of this Application for more information on the AESO Connection Process.

³ For information purposes, some of the legislative provisions relating to the AESO's planning duties and duty to provide system access service are referenced in notes i and ii of Part C of this Application.

⁴ Note v of Part C of this Application describes the Application scope in more detail.

Energy Act (HEEA), a Facility Proposal⁵ for the Proposed Transmission Development, as defined in Section 2.2.⁶

⁵ Also referred to as facility application, or FA, under AUC Rule 007.

⁶ The directions are described in more detail in the following sections of this Application and in Part C, note vi.

2 Need Overview and Proposed Transmission Development

2.1 Duty to Provide Transmission System Access Service

The AESO, pursuant to its responsibilities under Section 29 of the Act, must provide system access service on the transmission system in a manner that gives all market participants a reasonable opportunity to exchange electric energy and ancillary services.

The AESO, in consultation with the market participant and AltaLink, has determined that the Proposed Transmission Development is the preferred option to provide the market participant with a reasonable opportunity to exchange electric energy and ancillary services. In accordance with Section 34 of the Act, the AESO has determined that the Proposed Transmission Development will result in an expansion or enhancement of the capability of the transmission system thereby establishing the need for this Application. The market participant has made the appropriate applications to the AESO to obtain transmission system access service.

Through the AESO Connection Process, the AESO, in consultation with the market participant and AltaLink, has determined the Proposed Transmission Development and has assessed the impacts that the Proposed Transmission Development and the associated load would have on the Alberta interconnected electric system.

2.2 Proposed Transmission Development

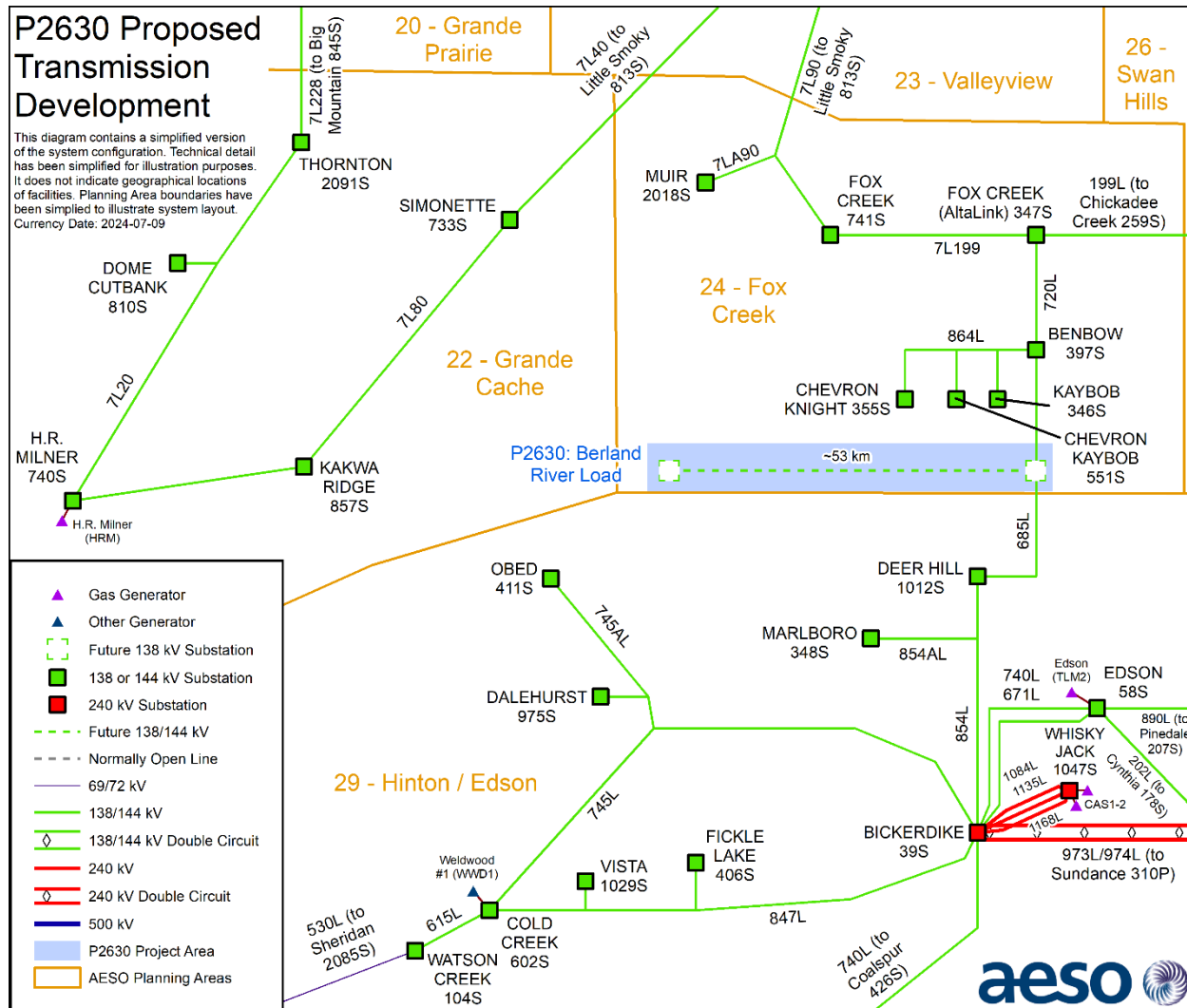
The Proposed Transmission Development, as shown in Figure 2-1, involves the following elements:⁷

1. Add a substation, designated as Pine Creek 328S, including three 138 kV circuit breakers, connected to the existing 138 kV transmission line 685L using an in-and-out configuration;
2. Add a substation, designated as Berland River 1182S, including one 138/25 kV transformer with a minimum capacity of 42 MVA, two 138 kV 13.5 MVar filter banks and three 138 kV circuit breakers;
3. Add one 138 kV circuit, approximately 59 km in length, with a minimum capacity of 120 MVA, to connect the proposed Berland River 1182S substation and the proposed Pine Creek 328S substation using a radial configuration;⁸ and
4. Modify, alter, add or remove equipment, including switchgear, and any operational, protection, control and telecommunication devices required to undertake the work as planned and ensure proper integration with the transmission system.

⁷ Details and configuration of equipment required for the Proposed Transmission Development are more specifically described in the AESO's Functional Specification included in AltaLink's Facility Proposal. Also, further details will be determined as detailed engineering progresses and the market participant's operating requirements are finalized. Routing and/or siting of transmission facilities do not form part of this Application and are addressed in AltaLink's Facility Proposal. Line numbering and substation names provided here are for ease of reference and are subject to change as engineering and design progresses. The market participant's facilities that may subsequently be connected to the Proposed Transmission Development are the responsibility of the market participant and are not included in the Application.

⁸ AltaLink has estimated that the 138 kV circuit that will connect the Berland River 1182S and Pine Creek 328S substations will have a length of approximately 59 kilometers. This is subject to change as routing and/or siting is finalized by AltaLink.

Figure 2-1: Proposed Transmission Development



2.3 Proposed Transmission Development Cost Estimate

The AESO directed AltaLink to prepare a cost estimate for the Proposed Transmission Development described in Section 2.2.

AltaLink has estimated the cost of the Proposed Transmission Development to be approximately \$94 million.⁹ In accordance with the ISO tariff, the AESO has determined all costs associated with the Proposed Transmission Development will be classified as participant-related.

⁹ The cost is in nominal dollars using a base year of 2024 with escalation considered. Further details of this cost estimate, which has an accuracy level of +20%/-10%, can be found in Appendix B.

2.4 Transmission Development Alternatives

In addition to the Proposed Transmission Development, the AESO, in consultation with the market participant and AltaLink, examined twelve other transmission development alternatives to respond to the market participant's request for system access service:

1. **Point of Delivery substation with a T-tap connection to 138 kV transmission line 685L** – This alternative requires adding a POD substation, including one 138/25 kV transformer, three 138 kV circuit breakers and adding one 138 kV circuit, approximately 59 km in length, to connect the substation to the 138 kV transmission line 685L in a T-tap configuration.

This alternative was ruled out as AltaLink advised it was not technically feasible after conducting protection and control studies.

2. **POD substation with a T-tap connection to 138 kV transmission line 720L** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker, and adding one 138 kV circuit, approximately 60 km in length, to connect the substation to the 138 kV transmission line 720L in a T-tap configuration.

This alternative was ruled out as AltaLink advised it was not technically feasible after conducting protection and control studies.

3. **POD substation with an in-and-out connection to 138 kV Transmission Line 720L** – This alternative involves adding a substation, including three 138 kV circuit breakers, connected to the existing 138 kV transmission line 720L using an in-and-out configuration. This alternative also requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker, and adding one 138 kV circuit, approximately 60 km in length, to connect the two substations using a radial configuration.

This alternative was ruled out as it involves connecting to the 138 kV transmission line 720L which has a lower capacity than the 138 kV transmission line 685L and limits future load development. Therefore, Alternative 4 was not selected for further study.

4. **POD substation with a T-tap connection to 138 kV transmission line 7L199** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 56 km in length, to connect the POD substation to the 138 kV transmission line 7L199 in a T-tap configuration.

This alternative was ruled out as it involves longer and more complex routing due to topographic, environmental, hydrological or other features requiring avoidance and hence increased cost, compared to the Proposed Transmission Development. In addition, AltaLink advised that this alternative would require added line length than estimated which is anticipated to increase the potential for land and environmental impacts.

5. **POD substation with an in-and-out connection to 138 kV Transmission Line 7L199** – This alternative involves adding a substation, including three 138 kV circuit breakers connected to the 138 kV transmission line 7L199 using an in-and-out configuration. This alternative also requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 56 km in length, to connect the two substations using a radial configuration.

This alternative was ruled out as it involves longer and more complex routing due to topographic, environmental, hydrological or other features requiring avoidance and hence increased cost, compared to the Proposed Transmission Development. In addition, AltaLink advised that this alternative would require

added line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

6. **POD substation with a T-tap connection to 138 kV transmission line 7L80** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 47 km in length, to connect the POD substation to the 138 kV transmission line 7L80 in a T-tap configuration.

This alternative was ruled out as AltaLink advised it would likely require crossing designated caribou range, resulting in greater potential environmental impacts, cost for mitigation and longer construction and permitting timelines than the Preferred Transmission Development, which does not cross caribou range. Furthermore, AltaLink advised this alternative would require more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

7. **POD substation with an in-and-out connection to 138 kV Transmission Line 7L80** – This alternative involves adding a substation, including three 138 kV circuit breakers, connected to the 138 kV transmission line 7L80 using an in-and-out configuration. This alternative also requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 47 km in length, to connect the two substations using a radial configuration.

This alternative was ruled out as AltaLink advised it would likely require crossing designated caribou range, resulting in greater potential environmental impacts, cost for mitigation and longer construction and permitting timelines than the Preferred Transmission Development, which does not cross caribou range. Furthermore, AltaLink advised this alternative would require more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

8. **POD substation with a radial connection to Deer Hill 1012S substation** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker, and adding one 138 kV circuit, approximately 60 km in length, to connect the substation to the Deer Hill 1012S substation using a radial configuration. This alternative also requires modifying Deer Hill 1012S substation, including adding one 138 kV circuit breaker.

This alternative was ruled out as AltaLink advised it would require three major river crossings and more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

9. **POD substation with a radial connection to Benbow 397S substation** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 56 km in length, to connect the substation to the Benbow 397S substation using a radial configuration. This alternative also requires modifying Benbow 397S substation, including adding one 138 kV circuit breaker.

This alternative was ruled out as AltaLink advised the industrial infrastructure surrounding Benbow 397S substation would constrain access for a new transmission line. Furthermore, AltaLink advised this alternative would require more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

10. **POD substation with a radial connection to Fox Creek 347S substation** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 61 km in length, to connect the substation to the Fox Creek 347S

substation using a radial configuration. This alternative also requires modifying Fox Creek 347S substation, including adding one 138 kV circuit breaker.

This alternative was ruled out as AltaLink advised the highway and industrial infrastructure surrounding Fox Creek 347S substation would constrain access for a new transmission line. Furthermore, AltaLink advised this alternative would require more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

11. **POD substation with a radial connection to Fox Creek 741S substation** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 55 km in length, to connect the substation to the Fox Creek 741S substation using a radial configuration. This alternative also requires modifying Fox Creek 741S substation, including adding one 138 kV circuit breaker.

This alternative was ruled out as it involves longer and more complex routing due to topographic, environmental, hydrological or other features requiring avoidance and hence increased cost, compared to the Proposed Transmission Development. In addition, AltaLink advised that this alternative would require added line length than estimated which is anticipated to increase the potential for land and environmental impacts.

12. **POD substation with a radial connection to Simonette 733S substation** – This alternative requires adding a POD substation, including one 138/25 kV transformer, one 138 kV circuit breaker and adding one 138 kV circuit, approximately 47 km in length, to connect the substation to the Simonette 733S substation using a radial configuration. This alternative also requires modifying Simonette 733S substation, including adding one 138 kV circuit breaker.

This alternative was ruled out as AltaLink advised it would likely require crossing designated caribou range, resulting in greater potential environmental impacts, cost for mitigation and longer construction and permitting timelines than the Preferred Transmission Development, which does not cross caribou range. Furthermore, AltaLink advised this alternative would require more line length than estimated, which is anticipated to increase the potential for land and environmental impacts.

The Proposed Transmission Development was selected as the preferred transmission alternative and forms the basis for the cost estimate and the connection assessment described herein.

2.5 Connection Assessment

Power flow, voltage stability, and short-circuit were conducted to assess the impact that the Proposed Transmission Development and the associated load would have on the transmission system. Power flow and short-circuit studies were conducted prior to and following the connection of the Proposed Transmission Development. Voltage stability studies were conducted following the connection of the Proposed Transmission Development.¹⁰

The pre-connection assessment identified system performance issues. Under certain Category B conditions, thermal criteria violations were observed. Real-time operational practices and existing RASs 171, 185, 186, 188 and 189 can be used to mitigate the pre-connection system performance issues.

¹⁰ The connection assessment is included as Appendix A.

The post-connection assessment identified voltage criteria violations under Category A and Category B conditions. All of these voltage criteria violations are mitigated by the inclusion of two 138 kV 13.5 MVar filter banks at the Berland River 1182S substation.

Most of the Category B thermal criteria violations observed in the pre-connection assessment were reduced or unchanged in the post-connection assessment; while a few thermal criteria violations were exacerbated. Real-time operational practices, the existing RASs 171, 185, 186, 188 and 189 and the two filter banks at Berland River 1182S substation can be used to mitigate the post-connection thermal criteria violations observed under Category B conditions.

2.6 Transmission Dependencies

The Proposed Transmission Development does not require the completion of any other AESO plans to expand or enhance the capability of the transmission system prior to connection.

2.7 AESO Participant Involvement Program

The AESO directed AltaLink to assist the AESO in conducting the AESO's participant involvement program (PIP).

Between March 2024 and August 2024, AltaLink and the AESO used various methods to notify stakeholders and Indigenous Groups about the need for development and the AESO's preferred option to respond to the system access service request.

No concerns or objections were raised regarding the need for the Proposed Transmission Development or the AESO's preferred option to respond to the system access service request. In September 2024, the AESO notified stakeholders of its intention to file this Application with the Commission.¹¹

2.8 Environmental and Land Use Effects

AltaLink has advised that the Proposed Transmission Development is not expected to result in significant environmental effects.

2.9 Approval is in the Public Interest

Having regard to the following:

- the transmission planning duties of the AESO as described in Sections 29, 33 and 34 of the Act;
- the market participant request for system access service and the AESO's assessment thereof;
- the AESO's connection assessment;
- the cost estimate for the Proposed Transmission Development;
- confirmation from AltaLink that no significant environmental effects are expected;
- information obtained from AESO PIP activities; and
- the AESO's long-term transmission system plans;

¹¹ Further information regarding the AESO's PIP for this Application is included in Appendix C.

it is the conclusion of the AESO that the Proposed Transmission Development provides a reasonable opportunity for the market participant to exchange electric energy and ancillary services. In consideration of these factors, the AESO submits that approval of this Application is in the public interest.

3 Request to Combine this Application with the Facility Proposal for Consideration in a Single Process

3.1 Facility Proposal

Pursuant to Subsection 35(1) of the Act, the AESO has directed AltaLink to prepare a Facility Proposal corresponding with this Application.

The AESO understands that the AltaLink Facility Proposal will be filed shortly.¹² The AESO requests, and expects AltaLink will request, that this Application be combined with the Facility Proposal for consideration by the Commission in a single process. This request is consistent with Section 15.4 of the HEAA and Section 7.1 of AUC Rule 007.

3.2 Purpose

While it is believed that this Application and the Facility Proposal will be materially consistent, the AESO respectfully requests that in its consideration of each, the Commission be mindful of the fact that the documents have been prepared separately and for different purposes. The purpose of this Application is to obtain approval of the need to respond to the market participant's request for system access service and provide a preliminary description of the manner proposed to meet that need, having regard for the AESO's determination that the Proposed Transmission Development is required to provide the market participant with a reasonable opportunity to exchange electric energy and ancillary services. In contrast, the Facility Proposal will contain more detailed engineering and designs for the Proposed Transmission Development and seek approval for the construction and operation of specific facilities.

¹² The AESO understands that AltaLink intends to file a Facility Proposal relating to this Application to be titled *Berland River Transmission Connection Project*.

4 Relief Requested

4.1 Approval is in the Public Interest

The AESO submits that its assessment of the need to meet the market participant's request for system access service is technically complete and that approval is in the public interest.

4.2 Request

For the reasons set out herein, and pursuant to Section 34 of the Act, the AESO requests that the Commission approve this Application, including issuing an approval of the need to respond to the market participant's request for system access service, and to connect the Facility to the transmission system, by means of the following transmission development:

- A. Add a substation, designated as Pine Creek 328S, including three 138 kV circuit breakers, to be connected to the existing 138 kV transmission line 685L using an in-and-out configuration;
- B. Add a substation, designated as Berland River 1182S, including one 138/25 kV transformer, two 138 kV 13.5 MVar filter banks, and three 138 kV circuit breakers;
- C. Add one 138 kV circuit, to connect the proposed Berland River 1182S substation and the proposed Pine Creek 328S substation using a radial configuration; and
- D. Modify, alter, add or remove equipment, including switchgear, and any operational, protection, control and telecommunication devices required to undertake the work as planned and ensure proper integration with the transmission system.

All of which is respectfully submitted this 3rd day of October, 2024.

Alberta Electric System Operator

"Electronically Submitted by"

Rob Davidson, P.Eng.
Vice President, Grid Reliability - Projects and Planning

PART B – APPLICATION APPENDICES

The following appended documents support the Application (Part A).

APPENDIX A Connection Assessment – Appendix A contains the *AESO Engineering Connection Assessment – P2630 Transmission Enhancements in the Town of Fox Creek area* that assesses the transmission system performance prior to and following the connection of the Proposed Transmission Development. As part of the AESO Connection Process, the AESO defined the study scope, and provided the system models and study assumptions to the market participant who engaged a consultant to conduct the connection assessment studies. The AESO reviewed the results of the connection assessment studies prepared by the consultant, and found the results acceptable for the purposes of assessing the impacts of the Proposed Transmission Development on the transmission system.

APPENDIX B Capital Cost Estimate – Appendix B contains a detailed cost estimate corresponding to the Proposed Transmission Development. This estimate has been prepared by AltaLink, to an accuracy level of +20%/-10% which exceeds the accuracy required by AUC Rule 007, Section 7.1.2, NID 11.

APPENDIX C AESO PIP – Appendix C contains a summary of the PIP activities conducted, in accordance with requirements of NID12 and Appendix A2 of AUC Rule 007, regarding the need to respond to the market participant's request for system access service. Copies of the relevant materials distributed during the PIP are attached for reference.

PART C – REFERENCES

- i. **AESO Planning Duties and Responsibilities** – Certain aspects of the AESO’s duties and responsibilities with respect to planning the transmission system are described in the Act. For example, Section 17, Subsections (g), (h), (i), and (j), describe the general planning duties of the AESO.¹³ Section 33 of the Act states that the AESO “must forecast the needs of Alberta and develop plans for the transmission system to provide efficient, reliable, and non-discriminatory system access service and the timely implementation of required transmission system expansions and enhancements.” Where, as in this case, the market participant (refer to note ii below) is requesting system access service, and the AESO has determined that the request requires or may require the expansion or enhancement of the capability of the transmission system, the AESO must prepare and submit for Commission approval, as per Section 34(1)(c), a needs identification document that describes the need to respond to requests for system access service, including the assessments undertaken by the AESO regarding the manner proposed to address that need. Other aspects of the AESO’s transmission planning duties and responsibilities are set out in Sections 8, 10, 11, and 15 of the *Transmission Regulation*.
- ii. **Duty to Provide Transmission System Access** – Section 29 of the Act states that the AESO “must provide system access service on the transmission system in a manner that gives all market participants [NGTL GP Ltd., as general partner on behalf of NGTL Limited Partnership] wishing to exchange electric energy and ancillary services a reasonable opportunity to do so.”
- iii. **AESO Transmission Planning Criteria** – In accordance with the Act, the AESO is required to plan a transmission system that satisfies applicable reliability standards. Transmission Planning (TPL) standards are included in the Alberta Reliability Standards, and are generally described on the AESO website.

In addition, the AESO’s *Transmission Planning Criteria – Basis and Assumptions* is included in Appendix A.

- iv. **AESO Connection Process** – For information purposes, the AESO Connection Process, which changes from time to time, is generally described on the AESO website.
- v. **Application for Approval of the Need to Respond to a Request for System Access Service** – This Application is directed solely to the question of the need to respond to a request for system access service, as more fully described in the Act and the *Transmission Regulation* and the AESO’s determination of the manner in which to respond to the request. This Application does not seek approval of those aspects of transmission development that are managed and executed separately from the needs identification document approval process. Other aspects of the AESO’s responsibilities regarding transmission development are managed under the appropriate processes, including the ISO rules, Alberta reliability standards and the ISO tariff, which are also subject to specific regulatory approvals. While the Application or its supporting appendices may refer to other processes or information from time to time, the inclusion of this information is for context and reference only.

Any reference within the Application to market participants or other parties and/or the facilities they may own and operate or may wish to own and operate, does not constitute an application for approval

¹³ The legislation and regulations refer to the Independent System Operator or ISO. “AESO” and “Alberta Electric System Operator” are the registered trade names of the Independent System Operator.

of such facilities. The responsibility for seeking such regulatory or other approval remains the responsibility of the market participants or other parties.

- vi. **Directions to the TFO** – Pursuant to Subsection 35(1) of the Act, the AESO has directed AltaLink, in its capacity as a legal owner of transmission facilities, in whose service territories the need is located, to prepare a Facility Proposal to meet the need identified. The Facility Proposal is also submitted to the Commission for approval. The AESO has also directed AltaLink, pursuant to Section 39 of the Act and Section 14 of the *Transmission Regulation*, to assist in the preparation of the AESO's Application. AltaLink has also been directed by the AESO under Section 39 of the Act to prepare a service proposal to address the need for the Proposed Transmission Development.
- vii. **Capital Cost Estimates** – The provision of capital costs estimates in the Application is for the purposes of relative comparison and context only. The requirements applicable to cost estimates that are used for transmission system planning purposes are set out in Section 25 of the *Transmission Regulation*, AUC Rule 007, and Section 504.5 of the ISO rules, *Service Proposals and Cost Estimating*.