



October 19, 2005

Dear Stakeholders:

The Credit Sub-Committee is issuing a discussion paper on Alberta power industry credit issues as requested by the Wholesale Market Policy Task Force (WMPTF).

The WMPTF established the Credit Sub-Committee in April 2004 to examine the current and future appropriateness of the (Independent System Operator) ISO rules governing the provision of prudential security, and any other related AESO credit rules, policies or requirements. The Credit Sub-Committee has reviewed the rules in detail and is prepared to make a number of recommendations. These recommendations are outlined in the attached discussion paper.

The Credit Sub-Committee proposes the following schedule for gathering comments from all stakeholders:

- October 19** Discussion paper distributed by the AESO on behalf of the Credit Sub-Committee.
- November 2** Stakeholder comments provided in writing to Todd Fior, Director Risk & Settlement, at todd.fior@aeso.ca.
- November 16** Comment matrix posted to the AESO website, including Credit Sub-Committee responses to the comments.

Once comments are received, recommendations will be finalized, and any proposed changes will be subject to the ISO rules changes process.

If you have any questions or concerns, please contact Todd Fior at (403) 539-2505.

Yours truly,

Signed:
"David Erickson"

Chair, Credit Sub-Committee
Senior Vice-President and Chief Financial Officer, AESO