



November 6, 2008

Dear Market Participants and Interested Parties:

Re: Proposed Alberta Reliability Standards (“Reliability Standards”):

- a) **BAL-001-AB-0a Real Power Balancing Control**
- b) **BAL-003-AB-0a Frequency Response and Bias**
- c) **BAL-006-AB-1 Inadvertent Interchange**

This is to advise you that the Alberta Electric System Operator (“AESO”) is seeking feedback on the above-captioned Reliability Standards that are being considered for recommendation to the AESO Executive Rules Committee (“ERC”) in December 2008. The AESO intends to submit the ERC approved Reliability Standards to the Alberta Utilities Commission (“Commission”) for approval as “reliability standards” pursuant to Section 19 of the *Transmission Regulation*.

The following grid is hyperlinked to provide assistance in directing you to the summary of the Reliability Standards and related attachments.

| Rule Number | Description | Most relevant stakeholder interest |
|--------------------|--|--|
| BAL-001-AB-0a | Real Power Balancing Control | TFOs and GFOs that own transmission facilities |
| BAL-003-AB-0a | Frequency Response and Bias | TFOs and Pool Participants |
| BAL-006-AB-1 | Inadvertent Interchange | Balancing Authorities |

Please refer to the attached summaries for more information on the Reliability Standards, including a comparison document showing the differences between the corresponding United States Federal Energy Regulatory Commission (“FERC”) approved reliability standard and the Reliability Standards, and the reasons for the differences.

The AESO would appreciate your comments and suggestions on the Reliability Standards. Please use the comment matrix provided when submitting comments to the AESO. Click [here](#) to access the comment matrix for the Reliability Standards. Only written comments will be considered in finalizing the Reliability Standards.

Please provide feedback or questions by **Friday, December 5, 2008** to the *individual* specified within the Reliability Standard description below.

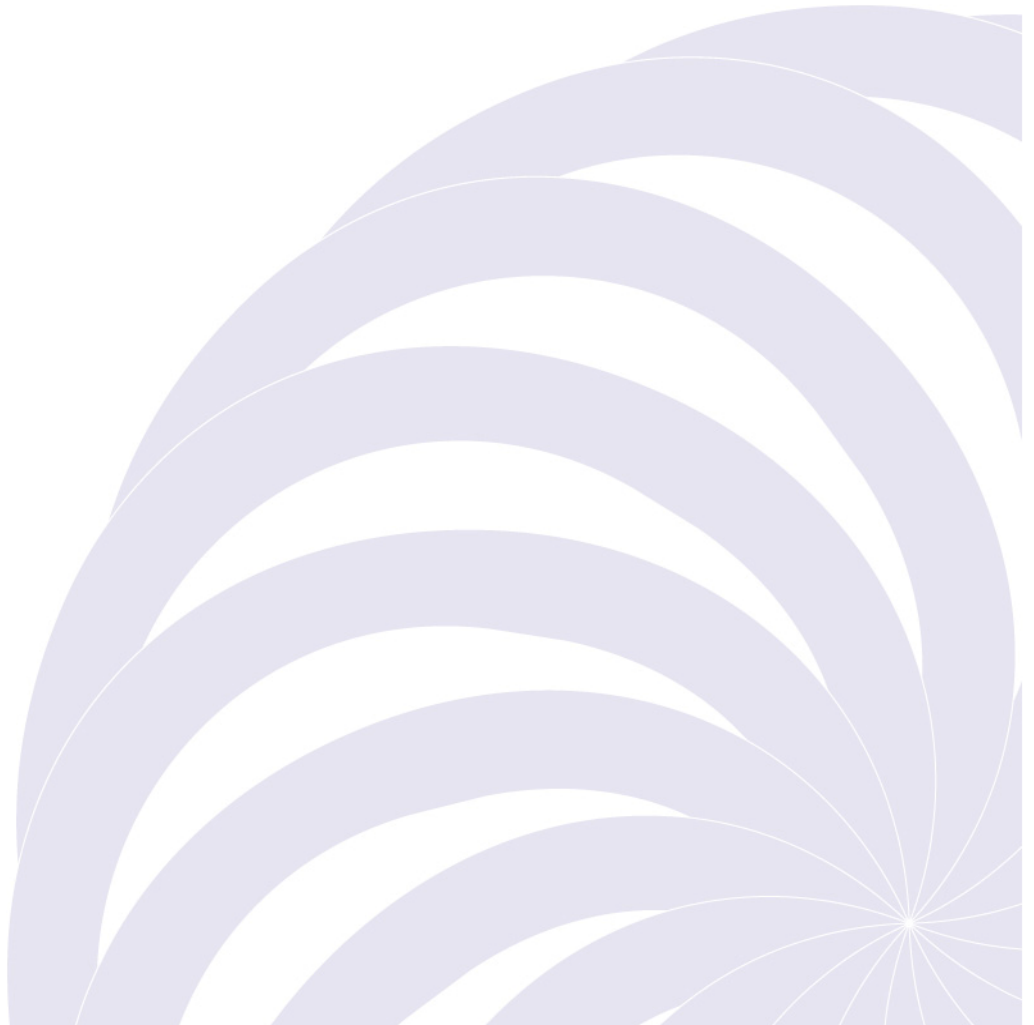


The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder comments received along with AESO responses will be published with Reliability Standards being recommended to the ERC in December 2008.

Yours sincerely,

Original Signed By

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Proposed LEVEL I Changes

Level I changes are changes that have a significant operational or financial impact on the industry or the AESO. These changes typically require working group input and/or extensive stakeholder consultation to implement an effective solution.

| Alberta Reliability Standard - BAL-001-AB-0a Real Power Balancing Control | |
|--|---|
| Number/Name | Definitions BAL-001-AB-0a Real Power Balancing Control |
| Summary of Alberta Reliability Standard | The purpose of this reliability standard is to maintain Western Electricity Coordinating Council (“WECC”) steady-state frequency within defined limits by balancing real power demand and supply in real time. |
| Summary of Amendment | This new reliability standard is based on the United States Federal Energy Regulatory Commission (“FERC”) approved North American Electric Reliability Corporation (“NERC”) reliability standard titled BAL-001-0a Real Power Balancing Control. |
| Level | I |
| Explanation of Confidentiality | None |
| Proposed Effective Date | This new reliability standard is proposed to become effective on the date approved by the Commission. |
| AESO Contact | Operating Policy and Procedures, Anita Lee, anita.lee@aeso.ca , (403) 539-2497 |
| Attachments | See attached. BAL-001-AB-0a – clean BAL-001-AB-0a Definitions Comparison Document between BAL-001-0a and BAL-001-AB-0a http://www.nerc.com/files/BAL-001-0a.pdf |



Alberta Reliability Standard - BAL-003-AB-0a Frequency Response and Bias

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|---|--|
| Number/Name | Definitions BAL-003-AB-0a Frequency Response and Bias |
| Summary of Alberta Reliability Standard | The purpose of this reliability standard is to provide a consistent method for calculating and Frequency Bias component of area control area (“ACE”). |
| Summary of Amendment | This new reliability standard is based on the United States Federal Energy Regulatory Commission (“FERC”) approved North American Electric Reliability Corporation (“NERC”) reliability standard titled BAL-003-0a Frequency Response and Bias. |
| Level | I |
| Explanation of Confidentiality | None |
| Proposed Effective Date | This new reliability standard is proposed to become effective on the date approved by the Commission. |
| AESO Contact | Operating Policy and Procedures, Anita Lee, anita.lee@aeso.ca , (403) 539-2497 |
| Attachments | <p>See attached.</p> <p>BAL-003-AB-0a – clean</p> <p>BAL-003-AB-0a Definitions</p> <p>Comparison Document between BAL-003-0a and BAL-003-AB-0a</p> <p>http://www.nerc.com/files/BAL-003-0a.pdf</p> |



Alberta Reliability Standard - BAL-006-AB-1 Inadvertent Interchange

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|---|---|
| Number/Name | Definitions BAL-006-AB-1 Inadvertent Interchange |
| Summary of Alberta Reliability Standard | The purpose of this reliability standard is to define a process for monitoring the AESO to ensure that, over the long term, the Alberta Interconnected Electric System (“AIES”) does not excessively depend on other Balancing Authority Areas in the WECC for meeting its demand or Interchange obligations. |
| Summary of Amendment | This new reliability standard is based on the United States Federal Energy Regulatory Commission (“FERC”) approved North American Electric Reliability Corporation (“NERC”) reliability standard titled BAL-006-1 Real Inadvertent Interchange. |
| Level | I |
| Explanation of Confidentiality | None |
| Proposed Effective Date | This new reliability standard is proposed to become effective on the date approved by the Commission. |
| AESO Contact | Operating Policy and Procedures, Anita Lee, anita.lee@aeso.ca , (403) 539-2497 |
| Attachments | <p>See attached.</p> <p>BAL-006-AB-1 – clean</p> <p>BAL-006-AB-1 Definitions</p> <p>Comparison Document between BAL-006-1 and BAL-006-AB-1</p> <p>http://www.nerc.com/files/BAL-006-1.pdf</p> |