



March 13, 2008

To: Market Participants and Interested Parties

Re: Phase I Market Policy Implementation Update

The Phase I Market Policy (Quick Hits) rules and IT systems were successfully deployed on December 3, 2007 and have been fully operational for over three months. As indicated in our update letter to Market Participants on [January 31, 2008](#) we are working on additional software upgrades and fixes in order to provide additional functionality and to address several issues identified by market participants and/or the system operator. This letter is intended to provide participants with a further update on our progress with respect to these matters.

In February, several enhancements to the Energy Trading System (ETS) were implemented, including greater flexibility with respect to restating Available Capability (AC), improvements to the Acceptable Operational Reason (AOR) warnings for imports and an enhanced Historical Trading Report.

In March, we expect to make real-time and historical Dispatch Down Service (DDS) reports available to participants, thereby increasing DDS market transparency.

We have also made some progress with respect to correcting the price-spike issue described within the January 31st update letter. Several Dispatch Tool (DT) improvements were deployed in February which have reduced, but not eliminated, the frequency of occurrence. Eliminating all price-spike issues remains a top priority for the AESO.

The software upgrades required to calculate the Payments to Suppliers on the Margin will be implemented in March and the initial settlement for March production for Payments to Suppliers on the Margin will proceed on the normal schedule. These payments are effective December 3, 2007 and will be allocated to the appropriate monthly invoice, retroactive to the specified production period when interim settlement is performed.

In conclusion, we continue working diligently to resolve these issues and we would like to thank participants for their patience. We will continue to provide participants with periodic progress updates until all issues have been resolved. If you have questions regarding any of the above please contact Doug Simpson at 539-2494.

Sincerely,

“original signed by”
Cliff Monar, VP Market Services

“original signed by”
Sandra Scott, VP Information Technology