



June 9, 2008

Don Popowich
Director of Facilities
Alberta Utilities Commission
Fifth Avenue Place
4th Floor, 425 1 St SW
Calgary T2P 3L8

Dear Sir:

Re: NW Upgrading Connection

Pursuant to section 12 (2) (b) of the *Transmission Regulation* (AR86/2007), the Alberta Electric System Operator ("AESO") is submitting the NW Upgrading Connection application to be considered under the Abbreviated Need Identification "ANID" approval process. Please provide the appropriate notice to stakeholders. The AESO intends to proceed with issuing direction to AltaLink Management Limited for filing a facilities application consistent with this ANID.

The AESO has undertaken the public participation process. Please refer to the ANID document for details.

The total cost to accomplish the NW Upgrading facility connection, estimated to be approximately \$33,200,000, is deemed Customer-Related according to the AESO tariff. Approximately \$24,192,000 of this amount is eligible for investment. Fortis Alberta's election of contract term will generate approximately \$14,627,000 of investment. The balance of the actual costs will be to Fortis Alberta's account.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Pung Toy', is written over a faint, large watermark of the AESO logo.

Pung Toy, PEng.

Manager, North Projects planning