



January 17, 2008

Dear Stakeholders

Re: S-KEG 500 kV Conversion Project - Update

We would like to inform stakeholders that upon consultation with directly affected generators and Transmission Facility Owners; the conversion of the South Keephills-Ellerslie-Genesee (S-KEG) transmission system (the "Project") to 500 kV is tentatively scheduled to proceed in early 2008. Determination of the actual construction period is subject to further coordination between the above noted parties.

During 2007 construction activities were underway for the project to meet an in-service date of October 2007. Most of the associated new facilities were installed; however the Project could not be completed due to the failure of a major piece of equipment. The failed equipment has subsequently been repaired and the Project may now proceed.

In keeping with our commitment to open, timely and transparent communication, the AESO will provide stakeholders with updates as events dictate.

If you have any questions regarding the Project, please contact Ron Strem, 500 kV Project Manager at (403) 539-2472.

Yours truly,
"original signed by"

Fred Ritter, P. Eng.
Director, Engineering