



March 29, 2007

RE: Project Milestone Obligations

Dear Stakeholder:

The AESO continues to work toward the development of an improved process with regards to project milestone obligations as outlined in the stakeholder letter dated November 29, 2006.

With the intention of better aligning the process strategy with the views of stakeholders, as well as creating consistency with the recently released market framework document for wind integration, the AESO is reassigning the responsibility of leading this initiative from the Transmission group to the Market and Regulatory Framework group which is headed by Kent McDuffie.

This change does not affect the plan to consult with stakeholders prior to finalizing the proposed business practices. However, the complexity of a transition plan from the current practices to those currently being worked on does affect the timing that was previously outlined. As per the November 29, 2006 letter, AESO was targeting the first quarter of 2007 for completion and implementation of the new process. However, this timeframe is no longer feasible.

While the AESO acknowledges the urgency of refining these practices, we also believe in the importance of providing sound practices that promote fair treatment of all customers who have applied to connect to the AIES. As a result, AESO continues to work diligently at creating a document for stakeholder review and is targeting within the second quarter of 2007 for additional stakeholder consultation.

The AESO would like to thank stakeholders for their patience and understanding as we work through the development of appropriate business practices.

If you have any further questions about the information provided in this update, please feel free to contact Laura Letourneau at 539-2458 or via e-mail at laura.letourneau@aeso.ca.

Yours truly,

Original signed by Rene Baillargeon

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