



January 17, 2008

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Attention: Doug Simpson

Dear Doug: *Doug*

**RE: AESO Recommendation Paper – Transmission Regulation Section 18;
Comments of TransCanada Energy Ltd. (“TransCanada”)**

TransCanada has contributed to, and generally endorses the submission of IPPSA on the matter of TREG Section 18 and adds the following comments in order to emphasize some of the contents of that submission.

- TransCanada fully supports establishing guiding principles for use of emergency services. The AESO should continue to rely on market based solutions and if an out-of-market solution is required, the AESO must balance the impact on the market price, system costs and the potential impact on investment/contracting decisions by market participants.
- Specifically, TransCanada questions the need to reschedule planned generator outages beyond 3-months as the accuracy of forecasts becomes questionable and hence less valuable in making what should be serious rescheduling decisions.
- The AESO should allow the market price signal to prompt market participants into a desired action (i.e. set the market price to the cap during times of “emergency” requirements to encourage generators to make all MWs available and/or shedding load in response to price.)
- The AESO must consider the full impact on the market participant to ensure adequate compensation is provided if an outage is to be rescheduled (i.e. factoring longer term operational/maintenance impacts.)
- TransCanada requests that similar outage scheduling conditions be imposed on larger industrials to provide some level of consistency among market participants.

Sincerely,

TransCanada Energy Ltd.

Vince Kostaskey
Director, Market Services

Cc: Jim Paton – TransCanada