



March 9, 2007

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Re: Feedback on AESO's LTA Recommendations

Dear Ms. Fairhead,

TransCanada appreciates the opportunity to provide feedback on the AESO's LTA recommendations posted on February 22, 2007. As much feedback has already been provided through ongoing dialogue with AESO and the LTA committee, we focus on a couple of incremental comments.

- TransCanada supports the project timeline approach for the LTA project as outlined at the meeting on March 5, 2007. We recognize that this is a complex project with data that needs to be analyzed prior to public posting. TransCanada would note that the AESO's schedule provides for data available in fall 07 and notes that this timeline may not provide sufficient market notice to participants as is intended. Earlier data dissemination is encouraged. In this regard, further clarification is necessary with respect to the process in interpreting the results of the metrics as well as in taking actions.
- Additionally, TransCanada encourages the AESO to include work on the Thresholds in the workplan along with the Threshold actions. The pivotal part of the LTA work remains incomplete -- that being what threshold the AESO will consider to warrant a trigger action. The earlier we can engage participants in that debate, the better.
- TransCanada is encouraged to note that the 2 year generator outage information will be reported in aggregate form and looks forward to working with industry to finalize the terms and conditions for providing "forecast" information. TransCanada recommends that AESO also require a similar non-binding, informational forecast of some forward term from price responsive loads of greater than 40 MWs for forecast purposes. On the same conditions, this load information would not form "bids", but would serve as information to the AESO and could be aggregated to the market as well.
- On that note, we support the inclusion of price responsive loads within the 2YrPSAS metric. Not allowing for price responsive loads within the forecast methodology would create artificial results.

Should you wish to discuss this further, please feel free to contact Wendell Klassen at (403) 9202819 or myself at (403) 920-2092.

Regards,

Original Signed

Cheryl L. Terry
Director, Market Services

Cc Wendell Klassen, TransCanada
Cliff Monar, AESO